



Future In Focus
2020 Annual Report



Alberta Investment Management Corporation

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Edmonton

1600 - 10250 101 Street NW Edmonton,
Alberta T5J 3P4, Canada

1.780.392.3600

Toronto

First Canadian Place 100 King Street
West, Suite 5120, P.O. Box 51 Toronto,
Ontario M5X 1B1, Canada

1.647.789.5700

London

4th floor, 72 Welbeck Street London,
United Kingdom W1G 0AY

+44 (0)20.3102.1900

Luxembourg

17A rue des Bains (Geiben House)
L-1212 Luxembourg Grand-Duchy
of Luxembourg

+352 26.73.65.42



Even in the most challenging times, long-term investors remain focused on the future. AIMCo's role as Alberta's investment manager has never been more important, as the world enters a period of economic recovery following significant market disruption caused by the global pandemic.

Our vision remains clear.

AIMCo is making informed, strategic decisions with the future in mind. We are committed to delivering the best possible long-term investment returns to meet our clients' objectives.

2020 Highlights

\$118.6B

Assets Under Management

\$3.0B

Net Investment Income

2.5%

Total AIMCo Net Investment Return

2.6%

Balanced Funds Net Investment Return

2.2%

Government & Specialty Funds Net Investment Return

Long-Term Investment Performance

6.1%

Four-Year Annualized Rate of Return

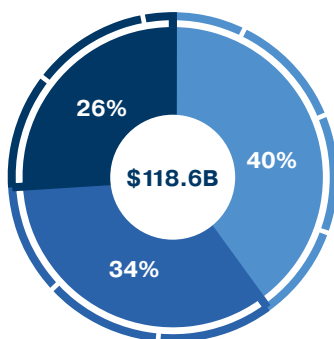
7.7%

Ten-Year Annualized Rate of Return

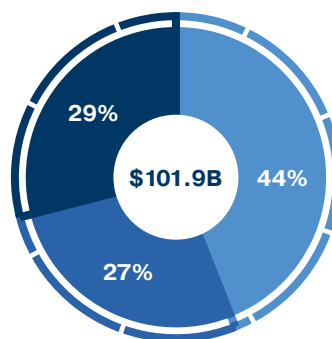
\$64.1B

Ten-Year Net Investment Return

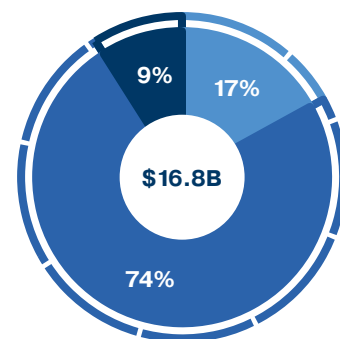
2020 Asset Mix



AIMCo Total



Balanced Funds

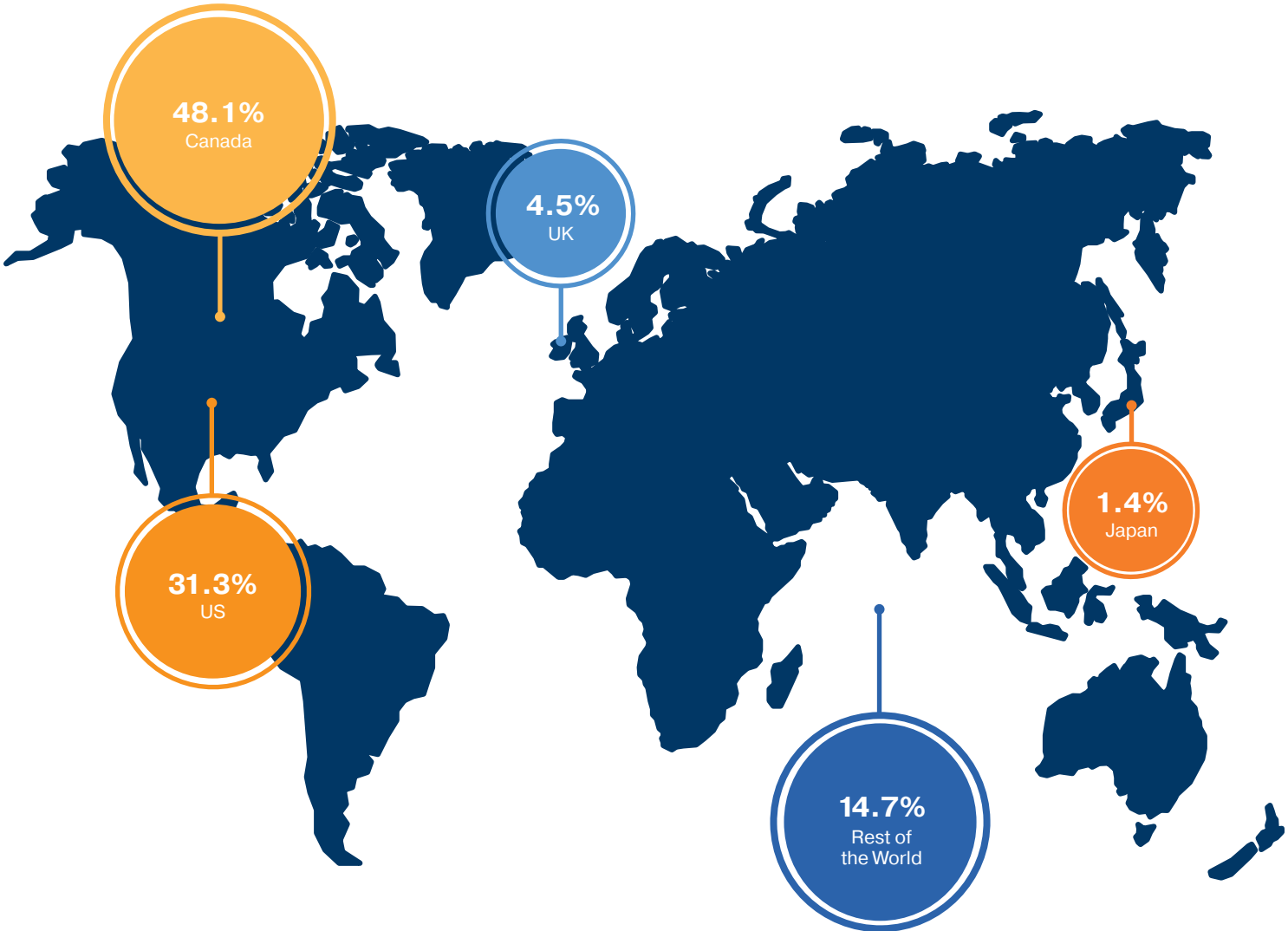


Government & Specialty Funds

- **Public Equities**
- **Money Market & Fixed Income**
Money Market, Fixed Income, Mortgages, Real Return Bonds, Private Debt & Loan
- **Illiquid Markets**
Infrastructure, Real Estate, Renewable Resources, Private Equity

For calendar year ending December 31, 2020

2020 Global Asset Mix



AIMCo is a global player, searching the world for investments to ensure the long-term prosperity and financial security of all Albertans. We are a made-in-Alberta entity with the scale, independence and expertise to serve all who rely on us.



**Enriching the lives
of Albertans by
building prosperity,
security and
opportunity across
generations.**

Values

excellence
transparency
humility
integrity
collaboration



Chair Message

Since its creation in 2008, the Alberta Investment Management Corporation Board of Directors has been solely focused on building an organization that can best serve the investment needs of its clients and one in which all Albertans can take considerable pride. And while the Board's leadership and composition will inevitably evolve, that commitment to achieve enduring investment excellence has not once wavered.

There is no question 2020 was a year fraught with all manner of challenges that tested our collective resilience on many levels.

During this period, the Canadian model of public institutional investment management, globally recognized as the most effective means of ensuring sound and reliable investment performance, proved strong and sturdy once more.

Indeed, AIMCo had positive returns in calendar 2020, despite the challenges of the pandemic and previously disclosed investment losses related to a volatility trading strategy. Throughout, AIMCo's Board worked closely with management to identify and execute upon the organization's, our clients', and Albertans' highest priorities.

Chief among these priorities was the need to implement and fully-integrate appropriate risk management measures into investment processes. This delicate work entailed a dual focus on internal culture and process. The full benefits of this foundational work will be decisive over the long term, but clients and staff have already seen the benefits. Among these measures was the creation of an Enterprise Risk Management Committee of the Board, which was formally struck early in 2021.

As my first year on the Board and as Chair comes to a close, I am struck by a feeling of immense gratitude for the impressive cooperation and determination demonstrated through this period of unparalleled global turbulence.

Aside from the imperative for cooperation and resilience, the past year has also served to remind us of the importance of strong leadership. Continuing in the lineage of strong leaders, the Board and I are thrilled to welcome a new Chief Executive in Evan Siddall. In December of last year, the Board formed a search committee and identified a comprehensive shortlist of candidates from an impressive global talent pool. Evan stood out for his financial acumen and, crucially, for his ability to lead meaningful change across an organization, ensuring everyone is pulling firmly in the same direction to benefit our clients. His experience and leadership will position AIMCo for success in meeting and exceeding our clients' needs in the years ahead.

Since joining the Board last July, I have learned much about our work and our fundamental commitments to our clients and stakeholders. In the face of adversity, Albertans have revealed a willingness to sacrifice and support one another in a way that is beyond admirable. Especially in times like these, AIMCo is both grateful and proud to serve its clients across the province with the benefits of scale as a top-tier global investment manager.

AIMCo is a long-term investor that prioritizes risk-adjusted returns managed with conviction. It is an approach that paid off in the past year. Scale is a meaningful advantage with our size allowing us to develop special in-house capabilities and provide access to asset classes and investment opportunities that others can only envy. It also ensures our ability to attract and retain the higher-caliber investment professionals necessary to effectively manage billions in assets, in a globally competitive industry.

While many Albertans may not know all the details of what AIMCo does, we never lose sight of the fact that they are the long-run beneficiaries of our dedication and service.

AIMCo is especially thankful to work with our clients, including those who make up Alberta's world-class public retirement systems. Their unwavering commitment and enduring support for the independence and strong governance of our organization, will ensure the continued security of these pension plans into the future.

What's more, we are proud of the fact that 90% of AIMCo's 500 employees live in Alberta. Since joining the organization last year, I have witnessed first-hand the dedication and commitment of AIMCo's team and the pride they take in serving the needs of our clients. It is an honour to work alongside them.

With the forthcoming CEO transition, I want to take a moment, on behalf of the Board of Directors, to express our gratitude to Kevin Uebelein for his six and a half years of service. Upon joining the organization, Kevin made it his commitment to strengthen client relationships and he has been an inspirational leader at AIMCo. Under his leadership, AIMCo was recognized for its commitment to responsible investment and sustainability. He has been a welcome and knowledgeable voice at peer meetings and an important presence in our industry. The Board and I wish him well and know that we will be able to count on his continued friendship and wisdom.

Exemplary governance requires a natural level of turnover at the board level, as well. Former directors Richard Bird (Chair) and Jay Vivian brought important perspective to the Board over two terms (six years) prior to retiring in 2020. The Board thanks them both for their service and leadership.

As we move ahead into a year that already looks much brighter for Canada and for Albertans, I feel optimistic about what we will achieve. AIMCo is resolutely focused on delivering for our clients and ensuring transparency in all we do. These twin pillars will guide us going forward as they have in the past.

For all the challenges of the past year and a half, AIMCo remains a shining example of the Canadian investment management model, delivering great returns through a sustainable, long-term approach. We have tremendous people on our team, remarkable leadership at the helm, and a very bright future ahead.

To AIMCo's clients, we are proud of the work we do on your behalf. Our focus is on your future.



Mark D. Wiseman
Chair, Board of Directors

CEO Message

Keeping the future in focus was perhaps the most effective strategy for navigating 2020, both from an investment perspective and in our day-to-day lives. Around the world, there is a shared grief for those we lost to COVID-19. Efforts to protect as many people as possible meant disruption to our routines and relationships. Healthcare workers shouldered responsibilities that — in light of the pandemic's consequences — displayed truly heroic dedication. Other frontline workers stepped up too, to keep our store shelves stocked, our communities operating and students learning — virtually and in person.

From an investment perspective, this past year began with a crash in March, where there was no place for investors to hide and where AIMCo sorely underperformed for our clients. Less startling, but still important has been the very strong recovery of public markets since the lows experienced in March. At AIMCo, we saw improving returns for most Public Equities strategies by year end; and the return to outperformance has continued into the new year, as I write this letter. The losses we experienced earlier in 2020 were deeply damaging. In our performance reporting, the impact of multiple asset classes declining in near unison, will be apparent.

In confronting these results, we've attempted to demonstrate the highest degree of transparency with our clients. We undertook a comprehensive review of risk management and have made considerable progress on meaningful change in this area. That said, there is more work ahead to further shape AIMCo's strategy in collaboration with clients, to ensure alignment of purpose and outcome.

It bears repeating that as an institutional investor, AIMCo is always focused on the long term. Since 2009, AIMCo has generated more than \$70 billion in total net investment income. Historically, AIMCo has outperformed its benchmark in 9 of the last 12 years. We have been consistently independently rated a higher value-add and lower unit cost investment manager in comparison to institutional fund managers of a similar size.

While aspects of our 2020 performance cast a shadow upon our organization, we also have points of pride that deserve to be brought to light. Operationally, our shift to working from home could not have been executed any better. Prioritizing the health and safety of our employees and their families, as well as doing our part to limit the spread of COVID-19 in Edmonton, Toronto, London and Luxembourg was paramount. Additional measures to support our people through the stress of a pandemic led us to a level of mutual support and understanding that I have never before experienced in a workplace. Conversations about mental health and wellbeing became the new normal — and they happened in a virtual environment many of us thought we'd be unable to embrace.

AIMCo has taken an important step in advancing diversity, equity and inclusion (DEI) within the organization by way of a new DEI Strategy. Accelerating progress on diversity and inclusion at AIMCo requires a purposeful and collective effort and there are many contributing to this vital work.

AIMCo's executive committee was bolstered by the addition of three new members. Amit Prakash joined us as Chief Investment Strategy Officer, Andrew Tambone stepped into the Chief Risk Officer role and Paul Langill has taken the reins as Chief Financial Officer. All three made an immediate impact in their areas of expertise.

As I move on from AIMCo, I would like to offer my best wishes to clients, board members and the many other stakeholders with whom I've had the privilege of working. To the team at AIMCo, it was an honour to serve as your CEO and I am most grateful for your dedication to our vision and values.



Kevin Uebelein
Chief Executive Officer

Our Team

For most of 2020, AIMCo's 492 employees worked out of 492 home offices as we followed guidelines and advice from local health authorities in Edmonton, Toronto, London and Luxembourg — where our four offices are located.



AIMCo attracts the best and brightest. We foster a culture that values the ingenuity, diversity and dedication of our talented team.

Executive Team



Kevin Uebelein,
Chief Executive Officer

Kevin Uebelein wraps up his tenure at AIMCo on June 30, 2021.

Kevin Uebelein joined AIMCo as Chief Executive Officer in January 2015. Prior to this, Kevin was President and Chief Executive Officer of Pyramis Global Advisors, the institutionally-focused asset management unit of Fidelity Investments, holding assets in excess of USD 200 billion, and was also the Global Head of Investment Solutions at Fidelity Investments. Previously, Kevin held a variety of positions with Prudential Financial Inc., including Head of Alternative Investments, and culminating as Chief Investment Officer for International Operations.

Kevin holds a bachelor of accounting degree from Harding University, and an MBA from Rice University. He is a Chartered Financial Analyst (CFA), and is a holder of the Institute of Corporate Directors Director designation. Kevin is on the board of the Canadian Coalition for Good Governance (CCGG) and is the Chair of the AIMCo Foundation for Financial Education.



Micheal Dal Bello
Senior Vice President, Real Estate

Micheal Dal Bello leads a team of investment professionals responsible for managing a portfolio of direct and indirect real estate investments.

Prior to joining AIMCo, Micheal was an Investment Principal with CIBC Development Corporation engaged in strategic asset management and new project acquisitions.

He holds the Chartered Financial Analyst designation and is a holder of the Institute of Corporate Directors Director designation. He graduated from Western University with a master of arts, geography and an honours bachelor of arts, geography (urban development).



Angela Fong
Chief Corporate Officer

Angela Fong has been with AIMCo since 2011. As Chief Corporate Officer, she leads a number of functions such as Human Resources, Corporate Strategy & Planning, Business Technology, Internal Communications and Procurement and Vendor Management.

Angela has more than 20 years of executive level experience within a variety of industries. She deeply enjoys being a part of “the build” within an organization, and has extensive experience working with business in developing the sustainable corporate infrastructure and programs necessary for long-term success.

Angela is a holder of the Institute of Corporate Directors Director designation and serves on the boards of Covenant Health as well as two other privately held Edmonton based organizations. She is also a volunteer with the University of Alberta Venture Mentoring Service, a program that cultivates strong and capable entrepreneurs through coaching and mentoring.



Rod Girard

Chief Legal Officer

Rod Girard joined AIMCo in 2011. He has been engaged in the practice of law, in both private and in-house capacities, for over 20 years and currently leads the Legal Services, Tax and Compliance groups. Rod serves on a number of AIMCo committees, including the Executive Committee, Investment Committee, Valuations Committee and Operational Risk Committee, and also serves as Corporate Secretary to the AIMCo Board of Directors.

Rod holds a BA (Honours) from the University of Alberta, an MA from McMaster University, an LLB from the University of Toronto, an LLM from Osgoode Hall at York University, and an MBA from Cornell. He is a CPA, CMA and also a holder of the Institute of Corporate Directors Director designation.

Rod was called to the Bar of Ontario in 1999 and the Bar of Alberta in 2001.



Ben Hawkins

Senior Vice President, Infrastructure & Renewable Resources

As Senior Vice President, Ben Hawkins has led the Infrastructure and Renewables Resources investment group for AIMCo since 2014.

Ben currently serves on the board of directors for Grupo SAESA. Previously Ben served on the boards of London City Airport, Puget Sound Energy, Mosaic Forest Corporation and Autopista Central.

Prior to joining AIMCo, Ben's previous experience includes Capital Power (formerly known as EPCOR Power Development Corporation) where he worked in the commercial services group developing new-build power generation projects and the acquisition of power facilities across the U.S. and Canada. Prior to that, Ben worked for an advisory firm developing and refining business strategy for technology-based companies as well as assisting clients to secure private equity financing.

Ben holds an MBA and undergraduate degrees from the University of Alberta and is a CFA charterholder.



Paul Langill

Chief Financial Officer

Paul Langill joined AIMCo in 2020 from TD Bank Financial Group in Toronto where he was the Special Advisor to the Chairman and Chief Executive Officer, TD Securities. Previously, Paul was the Executive Vice President of TD Bank Group, Chief Operating Officer of TD Securities, Senior Vice President, Trading Risk, Risk Management, CFO of TD Securities, and held senior positions within TD's Treasury & Balance Sheet Management group.

Prior to his career with TD Bank Group, Paul was a partner in Ernst & Young's Capital Markets Practice.

Paul serves on the board of directors for the Canadian Depository for Securities and the Canadian Derivatives Clearing Corporation.



Sandra Lau

Executive Vice President, Fixed Income

Sandra Lau leads a team of investment professionals responsible for managing fixed income, private placement, private mortgages and private debt and loan assets on behalf of AIMCo clients.

Since joining AIMCo in 1999, she has held progressively more senior positions leading to her current role.

She is currently a member of the Bank of Canada Canadian Fixed Income Forum and the Bank of Canada Canadian Alternative Reference Rate Working Group. Sandra also serves on the Alberta Cancer Foundation's Board of Trustees and is the co-founder of Edmonton Women in Finance, a non-profit organization with objective to connect, coach and advocate for women in the finance industry in Edmonton.

Sandra holds a BCom and an MA in Economics and Finance from the University of Alberta and is a CFA charterholder.



Dale MacMaster

Chief Investment Officer

As Chief Investment Officer, Dale MacMaster is responsible for ensuring the assets under management entrusted to AIMCo by its clients are invested strategically and in alignment with their respective investment policies to produce sustainable, long-term investment performance. He is a member of the Executive Committee and chairs the Management Investment Committee and the Tactical Asset Allocation Committee.

Dale holds a BCom from Concordia University 1980, an MBA from the Richard Ivey School of Business, and is a CFA charterholder.

A career highlight has been assisting in the transition and growth of AIMCo from a department of the Alberta Government into a world-class asset manager that Albertans can be proud of.



Amit Prakash

Chief Investment Strategy Officer

Amit Prakash joined AIMCo in 2020 as its first Chief Investment Strategy Officer. Amit was formerly Managing Director, Multi Asset Solutions, Canada at BMO Global Asset Management in Toronto. Prior to this role, Amit was Managing Director, Global Exchange Traded Funds and Alternative Investments and was also responsible for establishing and leading BMO Global Asset Management's Asia business based out of Hong Kong.

His career spans portfolio management, investment and product strategy and trading roles with top global investment management firms such as BlackRock in Singapore and London, Barclays Global Investors in Toronto and Wells Fargo Nikko Advisors in San Francisco.

Amit holds an MBA from Tulane University, a master of economics and bachelor of arts in economics from the University of Delhi and is a CFA charterholder.



Mark Prefontaine

*Chief Client and Stakeholder
Relations Officer*

Mark Prefontaine joined AIMCo in 2016 after working for the Government of Alberta as a Senior Assistant Deputy Minister and as Assistant Deputy Minister (including the roles of Superintendent of Pensions, Superintendent of Insurance and Superintendent of Financial Institutions).

Mark has worked in finance for more than 20 years, in both the public and private sectors. Prior to that, he was an officer in the Canadian Armed Forces.

Mark has an undergraduate degree in Honours Economics and Commerce from the Royal Military College of Canada and his MA in Interdisciplinary Studies from Royal Roads University. He is a Chartered Financial Analyst and is a holder of the Institute of Corporate Directors Director designation.



Andrew Tambone

Chief Risk Officer

Andrew Tambone, a 30-year veteran of the investment industry, joined AIMCo in 2020. Prior to that, he worked for the Workers' Compensation Board - Alberta for more than a decade, with five years as CIO, responsible for all investment aspects of the company. Before that, Andrew was Head of Fixed Income Investments.

Andrew holds a bachelor of commerce in accounting and finance from the University of Westminister and is a CFA charterholder.



Peter Teti

*Senior Vice President, Private Equity
and Relationship Investing*

Peter Teti leads a team of experienced professionals responsible for Private Equity and Relationship Investments. Peter joined AIMCo in 2012.

Peter has 30 years of experience in the financial industry. Peter has led the Private Equity group since he joined and is a member of the Investment Committee. Prior to AIMCo, Peter was a Managing Director of Rothschild Canada advising organizations on mergers and acquisitions, privatizations and restructurings. Prior to Rothschild, Peter spent eight years in London in the investment banking industry advising companies on cross-border M&A.

Peter holds a BCom (Honours) from Queen's University, CPA, CA and is a holder of the Institute of Corporate Directors Director designation.

The image features a teal background with a central focus on the text "CEO Culture Award Winners". This text is surrounded by several concentric circular elements: an innermost white dashed circle, a middle orange dashed circle, and an outermost orange dotted circle. The design is further embellished with scattered small dark blue dots and larger orange curved lines that sweep across the frame, creating a dynamic and modern aesthetic.

**CEO Culture
Award Winners**



2020 Hero Award

Crisis Management Team

- **Monica Aguado**
- **Taisa Ballantyne**
- **Nigel Brown**
- **Lynda Foden**
- **Janice Guzzo**
- **Paul Hambrock**
- **Marc Macolor**
- **Darren McLeod**
- **Ashton Rudanec**
- **Sheena Spear**

The Crisis Management team played a crucial role at AIMCo from the outset of the unpredictable COVID-19 pandemic. They made every effort to ensure that staff would stay healthy, without interruption to AIMCo's operations and in alignment with AIMCo's goal to be a good corporate citizen. AIMCo's pandemic response was leading edge, thanks to their calm and measured approach. The team was proactive, creative, collaborative and quite literally, came to the rescue!



2020 Hero Award

Service Desk Team

- **Muhammad Arslan**
- **Ashneil Bhatnagar**
- **Russell Brown**
- **Cory Burgett**
- **Muhammad Farooq**
- **Ali Ganemtore**
- **Doug Huget**
- **Prab Kalra**

The Business Technology Service Desk team was instrumental in making the rapid transition to working from home as smooth as possible. It was an abrupt shift for AIMCo employees in Edmonton, Toronto, London and Luxembourg and everyone needed some level of support with technology. From delivering office material, to jumping in their cars to help team members set up equipment at home, they went above and beyond to ensure everyone had the tools to work comfortably. Through it all, the Service Desk crew delivered the same high quality of service they're known for in the office — always with a smile.



- **Steven Biggs**
Associate, Infrastructure
Commitment & Dependability

Steven stands out on all fronts when it comes to commitment and dependability — the quality of his work, attention to deadlines and responsibilities and attitude. His colleagues describe him as someone with contagious enthusiasm who goes above and beyond, always thinking ahead about what is needed and how he can help. Purpose-driven, Steven prides himself on his meaningful career at AIMCo and is committed to working hard to ensure the financial stability of clients.



- **Mandy Huang**
Manager, Investment Costs & Reporting
Creativity & Innovation

Mandy is the backbone of the Investment Costs & Reporting team and living proof that a career in finance doesn't have to stifle creativity. Following a client forecast request with a tight timeline, she took it upon herself to build a new end-to-end process. Her team was wowed to see the result of her project had generated more detail than they ever had! This is just one example of Mandy's commitment and ability to build processes that will forever change the way AIMCo does business. What's Mandy's secret to relentless energy and keeping a sharp work mind? Exercise, of course! Burpees are her favourite.



- **Betty Mah**
Manager, Private Loan Servicing
Commitment & Dependability

Many of the initiatives that helped keep AIMCo employees engaged during a difficult year simply would not have happened without Betty. She was integral to organizing the holiday experience boxes, a thoughtful initiative that provided a boost for local businesses in all AIMCo office locations and brought holiday cheer to her colleagues. Betty is helpful, organized and keeps everyone accountable when it comes to process, budget, timelines — you name it. Beyond her day-to-day responsibilities, she contributes as an AIMCo Coach, AIMCo Foundation Fundraising Committee member, Treasurer of the Social Committee, and in the community with Edmonton Commercial Real Estate Women, CPA Alberta and Edmonton Women in Finance.



Risk Culture Award

- **John Timmons**
Vice President, Business Technology
People Leadership

The impact of John’s leadership in his short time at AIMCo has been nothing short of amazing. While acting as an inspirational leader to the Business Technology group, his calm, wise and collaborative influence is felt by anyone he works with. For example, John has opened lines of communication between business units to help large projects flow more smoothly. John credits his success as a leader to the following piece of advice which he has applied over the last 30 years — always listen to your team and pay attention to their advice, feedback and insights.

- **Nicholas Wildman**
Associate, Indexes Core Values

Nick is an unsung hero at AIMCo. When something needs to get done, he steps up right away in a manner that always embodies the organization’s core values — excellence, transparency, humility, integrity and collaboration. He is a culture champion, a team player and never expects extra recognition for his efforts. He is a supporter of the AIMCo Foundation, managing the important relationship with the University of Alberta on the Scholarship Committee. He’s also a valued AIMCo Coach who brings out the best in others.

Event Driven Strategies Team

- **Justin Lord**
- **Brian Ng**
- **James Sawatzky**

To inaugurate this new CEO award category, the Event Driven Strategies team is being commended for the example they are setting when it comes to elevating risk awareness at AIMCo. This small but mighty team engages effectively with the risk management teams that are set up to support them. They take a “risk manager first” approach, collaborating on research and decision-making processes and challenging each other and their peers. Their attitude has permeated through the larger Public Equities group, as they forge a strengthened partnership with the Risk team.



04

Our Clients

Assets Under Management

Each of AIMCo's clients operates within unique parameters and with specific obligations. Our clients are responsible for establishing their respective investment policies and return targets. AIMCo works with them to develop appropriate investment portfolios that consider the risk and return characteristics so they can meet those targets.

Balanced Funds

Balanced Funds combine asset allocation and active investment management to earn higher returns. Diversification plays an important role in maintaining a level of portfolio risk that is appropriate to the client, as these funds can traditionally include relatively more aggressive investment strategies, which are implemented in a risk management framework.

Endowment Funds

AIMCo manages several endowment funds including the Alberta Heritage Savings Trust Fund, a pioneer among sovereign wealth funds. In addition, there are funds for medical research, scholarships, science and engineering and more. These assets account for \$23.0 billion of AIMCo's assets under management.

Pension Plans

AIMCo manages the assets of seven public sector pension plans representing hundreds of thousands of Albertans. Collectively, these plans account for \$78.6 billion of AIMCo's assets under management. We work closely with each plan to understand their financial position and to determine an investment approach that is appropriate for their requirements. We are proud of the role we play in supporting our clients to fulfill the pension promise to their constituents.

Government & Specialty Funds

Government and Specialty Funds tend to include larger amounts of operating capital and therefore have a lower risk-tolerance to market fluctuations, and reduced risk relative to equities. These funds target short-term, high-quality returns which can mean less volatility. Investments are primarily in fixed income assets and have a commensurately lower return expectation as a result.

Special Purpose Government Funds

AIMCo manages the assets of a number of Special Purpose Government Funds, primarily on behalf of provincial arms-length organizations, including the Agriculture Financial Services Corporation, Workers Compensation Board, Credit Union Deposit Guarantee Corporation and others. In total, these assets represent \$8.7 billion of assets under management at AIMCo. Each of these organizations aims to achieve a very specific mandate and we work closely with them to understand their needs and execute accordingly.

Short-Term Government Funds

AIMCo manages a number of key government accounts used to fund the ongoing operations of the province. These funds amount to \$8.1 billion of AIMCo's assets under management and are invested in fixed income products for stability and preservation of capital to ensure that the funds are available when they are needed.

Assets Under Management

By client type for the year ended December 31, 2020

(\$millions)	Asset Class ¹			
	Market Value	Money Market & Fixed Income	Equities ²	Illiquid Markets
AIMCo Total	118,639	33%	44%	23%
Balanced Funds	101,861	27%	47%	26%
Endowment Funds	22,953	19%	44%	37%
Heritage Savings Trust	18,293	19%	42%	39%
Heritage Medical Research	2,041	20%	52%	28%
Heritage Scholarship Trust	1,391	20%	53%	27%
Heritage for Science and Engineering	1,228	20%	53%	27%
Pension Plans	78,586	29%	48%	23%
Local Authorities	53,184	32%	44%	24%
Public Service	15,622	21%	58%	21%
Management Employees	5,621	17%	57%	26%
Special Forces	3,586	31%	52%	17%
Judges Supplementary Retirement	232	42%	41%	17%
Judges	165	35%	41%	24%
Management Supplementary Retirement	176	32%	51%	17%
Other Balanced Funds	322	47%	37%	16%
Long Term Disability Bargaining Unit	269	48%	37%	15%
Long Term Disability Management	53	45%	34%	21%
Government Funds & Specialty Funds	16,778	74%	19%	7%
Government Funds	8,067	100%	0%	0%
Money Market Depositors ³	2,385	100%	0%	0%
General Revenue	1,435	100%	0%	0%
Alberta Risk Management Fund	75	100%	0%	0%
Management Closed Pension Membership	7	100%	0%	0%
Alberta Municipal Services Corporation	1	100%	0%	0%
Alberta School Foundation Fund	18	100%	0%	0%
A.L.Sifton Estate	0.5	100%	0%	0%
Unclaimed Property Fund	116	100%	0%	0%
Cash Reserve Account	4,029	100%	0%	0%
Specialty Funds	8,711	50%	36%	14%
Universities Academic	4,461	16%	66%	18%
Agriculture Crop Insurance	2,757	100%	0%	0%
Workers' Compensation Board ⁴	736	46%	0%	54%
Credit Union Deposit Guarantee	424	100%	0%	0%
Special Areas Long Term Account	34	100%	0%	0%
Alberta Securities Commission	87	67%	33%	0%
AIMCo Retirement Compensation Arrangement Fund	2	43%	57%	0%
City of Medicine Hat	210	38%	62%	0%

1. Asset class weights are per AIMCo's categorization criteria.

2. Includes Canadian Equity, Global Equity, Global Small Cap Equity, Emerging Market Equity and Global Minimum Variance.

3. Includes various government agencies, organizations, Crown corporations and other accounts.

4. New client assets added pursuant to the *Reform of Agencies, Boards and Commissions and Government Enterprises Act, 2019*, not included in Total AIMCo Fund calculation.

05

**Investment
Performance**



CIO Q&A

The challenges of 2020 are well known, how do you assess AIMCo's investment performance in a monumental year so much framed by the COVID-19 pandemic?

Yes, from a capital markets perspective the pandemic created investment challenges. A below-benchmark total fund return of 2.5% certainly does not meet our expectations or those of our clients. Not even a well-diversified portfolio such as the one we have built was enough to cushion our bottom line from the impact of a global pandemic.

There were other influences the markets had to deal with as well — U.S. civil unrest, Iran's threatening actions, simmering trade tensions with China, Russian hacks, ongoing Brexit negotiations and a drawn-out, contentious U.S. election cycle.

With all of this, as long-term investors, we consider our investment decisions and evaluate performance over a longer cycle than a single year. We have delivered above-benchmark performance or value-add in 9 of the last 12 years, and an above-benchmark, ten-year annualized rate of return of 7.7%.



Dale MacMaster
Chief Investment Officer

In any down year there are always silver linings, what were they in 2020?

You really can't help but marvel at how the markets responded to the circumstances. The world lost millions of jobs, and global GDP declined by close to 5%, but confidence grew about a return to normalcy in 2021. Anticipating this, the markets ended the year strongly with both bonds and equities in the positive zone. Policymakers around the world stepped up in an unprecedented manner to provide fiscal and monetary stimulus and positive news surrounding development of vaccines buoyed the markets.

Our Fixed Income portfolio outperformed its benchmark and generated \$2.9 billion in net investment returns. We are disappointed in how our equities performed; however, we proactively made changes starting in mid 2020 and into 2021, and we are pleased to see that the equity portfolios have been generating strong absolute and relative performance for the past several quarters.

In our Real Estate portfolio, we were challenged with assets exposed to pandemic lockdowns, but diversification provided by investments in industrial and logistics properties proved valuable. In fact, we were able to make some opportunistic investments in those areas, and others that we expect to generate positive results in the years to come.

We continued advancing our efforts to integrate responsible investing principles into our global investment strategies. This activity includes everything from investment research and due diligence, to ownership activities such as monitoring our external investment managers, exercising our shareholder voting rights and engaging with companies to improve environmental, social and governance (ESG) practices.

Finally, I'd be remiss not to highlight the resilience of our organization. At the heart of it, investment management is a people-centred business. When we could no longer conduct our business face to face as we were accustomed to, we quickly adapted. Working from home, managing assets from abroad, even using drones and other technology to stay on top of things — I was constantly impressed by our team's professionalism and innovation.

You talked during the year about a V-shaped recovery, looking at it now, what is your thinking?

We expect the global economy and markets to continue to be supported by stimulative fiscal and monetary policy in 2021. While the impact of such policies could directly lead to higher inflation in the short term, most central banks will persevere with accommodative monetary policies as they are determined to see the economy return to a higher, more sustainable growth path leading to full employment. In the end, recovering from this COVID-19 recession will hinge on the medical-policy response — managing the virus and its variants as well as successfully vaccinating a large proportion of the global population.

In terms of the markets, the question on everyone's mind is whether the strong performance across asset classes in the latter part of 2020 will continue throughout 2021. Bond yields are likely to gradually edge higher as growth rebounds. The bull market in equities should continue with some rotation from growth sectors into cyclical, value-oriented sectors despite relatively stretched valuation levels. Industrial commodities and oil should be supported from growing optimism in North American recovery.

What are some of the trends and themes that have been interrupted or changed by the pandemic?

The pandemic accelerated many trends that were already well established, and in some cases, interrupted others. For example, the trend away from bricks and mortar retail to e-commerce was in place for many years but expedited during the pandemic, leading to numerous retail bankruptcies. On the other hand, global travel had been growing at 5% per year prior to the pandemic but was brought to a standstill over the past year. We expect travel to accelerate back to prior growth rates as we emerge from the pandemic. Both examples have implications for our assets (retail, airports) and will be important considerations as we make future investment decisions.

Investors are always keen to learn from significant market events, what are you taking away from the events of the past year?

Capital markets can be volatile and every once in awhile we see significant downdrafts like we saw during the Global Financial Crisis or 2020's pandemic. The catalysts always seem to change but the dynamics are similar. Investors like AIMCo take a disciplined, long-term approach and view these unfortunate gut-wrenching events as part of the process. As difficult as they may be to experience, they do offer the opportunity for long-term, disciplined capital to take advantage of market dislocation to purchase high quality assets at reasonable prices.

During the year, we undertook a comprehensive review of risk management practices and how well risk processes are integrated into our investment processes. The experience of 2020 has created the opportunity for stronger integration between AIMCo's teams and I believe we are well positioned going forward. A host of opportunities across asset classes and geographies will be created following the pandemic and we will strive to do what is necessary to maximize client outcomes.

Investment Performance

	2020	2019	2018	2017	2016
Total AIMCo	2.5%	10.6%	2.3%	9.3%	5.8%
Benchmark	8.0%	11.1%	1.3%	8.1%	5.6%
Net Value-Add (millions)	(\$5,489)	(\$522)	\$940	\$1,100	\$226

*All results are net of fees

In aggregate, AIMCo funds achieved a net return of 2.5% in 2020. AIMCo's Balanced Fund clients, many of which capitalize on AIMCo's full suite of investment capabilities, earned a net return of 2.6%, while Government & Specialty Funds earned a net return of 2.2%.

Asset Class Performance

For the year ended December 31, 2020

Asset Class	Market Value (\$mm)	Annualized Net Returns (%)					Calendar Year Net Returns (%)				
		1 yr	2 yr	3 yr	4 yr	5 yr	2020	2019	2018	2017	2016
Total AIMCo Fund Aggregate ^{1,6}	\$118,639	2.5	6.5	5.1	6.1	6.1	2.5	10.6	2.3	9.3	5.8
Benchmark		8.0	9.5	6.7	7.1	6.8	8.0	11.1	1.3	8.1	5.6
Balanced Funds Aggregate	\$101,862	2.6	7.1	5.5	6.7	6.6	2.6	11.8	2.5	10.4	6.2
Benchmark		8.9	10.7	7.5	7.9	7.5	8.9	12.5	1.4	9.1	6.1
Government Funds Aggregate	\$16,777	2.2	3.5	2.8	3.0	3.1	2.2	4.8	1.3	3.7	3.5
Benchmark		3.4	4.0	3.1	3.1	3.0	3.4	4.7	1.2	3.1	2.7
Public Markets (value add relative AIMCo Benchmarks)											
Aggregate Public Investments	\$87,364	6.4	9.3	5.7	6.7	6.6	6.4	12.4	(1.3)	9.7	6.1
Benchmark		10.3	11.6	7.3	7.6	7.2	10.3	13.0	(0.8)	8.5	5.4
Money Market and Fixed Income ²	\$39,926	7.8	7.0	5.2	4.6	4.1	7.8	6.2	1.7	2.8	2.0
Benchmark		7.3	6.6	4.8	4.1	3.5	7.3	5.9	1.2	2.3	1.1
Money Market ³	\$3,431	1.2	1.6	1.6	1.4	1.3	1.2	1.9	1.6	0.9	0.9
Benchmark		0.9	1.3	1.3	1.1	1.0	0.9	1.6	1.4	0.6	0.5
Fixed Income Mid-Term	\$14,516	9.6	8.5	6.5	5.6	5.1	9.6	7.4	2.5	3.1	2.9
Universe Bonds	\$10,260	9.9	8.8	6.5	5.7	5.2	9.9	7.8	1.9	3.3	3.4
Mortgages	\$4,256	9.4	7.7	6.7	5.6	4.9	9.4	6.0	4.7	2.4	1.9
Benchmark		8.7	7.8	5.6	4.8	4.2	8.7	6.9	1.4	2.5	1.7
Fixed Income Long-Term	\$9,155	13.0	12.9	8.7	8.5	7.2	13.0	12.8	0.9	7.6	2.4
Benchmark		12.1	12.2	8.1	7.7	6.4	12.1	12.2	0.5	6.5	1.3
Private Debt and Loan	\$2,758	5.9	5.2	4.8	4.2	4.2	5.9	4.4	4.0	2.3	4.4
Benchmark		5.3	4.2	3.4	2.6	2.3	5.3	3.1	1.9	0.1	1.0
Real Return Bonds	\$847	13.7	11.0	7.2	5.7	5.2	13.7	8.3	0.1	1.3	3.5
Benchmark		13.0	10.5	6.9	5.3	4.8	13.0	8.0	(0.0)	0.7	2.9
Segregated Assets - Short Term	\$5,464	0.6	1.2	1.2	1.1	1.1	0.6	1.7	1.4	0.8	0.8
Benchmark		0.7	1.2	1.2	1.1	1.0	0.7	1.7	1.3	0.6	0.5
Segregated Assets - Long Term	\$3,328	5.6	4.3	3.5	2.7	2.4	5.6	3.2	1.9	0.2	1.2
Benchmark		5.1	3.8	3.2	2.3	1.9	5.1	2.5	2.0	(0.3)	0.4
Public Equity ⁴	\$47,647	3.7	10.9	5.5	8.1	8.2	3.7	18.5	(4.6)	16.2	8.7
Benchmark		12.2	16.2	9.4	10.6	10.2	12.2	20.3	(3.1)	14.4	8.7
Canadian Equity	\$10,506	(3.4)	8.0	1.6	3.8	6.9	(3.4)	20.8	(10.1)	10.5	20.3
Benchmark		5.6	13.9	5.7	6.6	9.3	5.6	22.9	(8.9)	9.1	21.1
Global Equity	\$26,458	5.6	12.7	7.6	9.8	8.7	5.6	20.2	(1.8)	16.5	4.4
Benchmark		13.9	17.5	11.2	12.0	10.3	13.9	21.2	(0.5)	14.4	3.8
Global Minimum Variance	\$1,660	1.5	5.4	3.7	6.4	6.7	1.5	9.4	0.6	14.6	8.1
Benchmark		0.1	8.0	6.7	7.6	7.4	0.1	16.6	4.2	10.2	6.7
Emerging Market Equity	\$6,100	7.0	8.8	2.8	9.1	9.0	7.0	10.6	(8.2)	30.4	8.7
Benchmark		16.2	14.3	6.8	11.8	10.9	16.2	12.4	(6.9)	28.3	7.3
Global Small Cap Equity	\$2,923	4.8	10.8	4.5	6.8	7.8	4.8	17.2	(7.2)	14.1	12.1
Benchmark		13.9	16.8	8.6	10.2	11.8	13.9	19.8	(6.1)	15.0	18.5
Illiquid Markets	\$31,276	(7.2)	(0.8)	3.5	4.6	4.7	(7.2)	6.0	12.8	8.0	5.2
Benchmark		2.3	4.1	5.4	5.8	5.9	2.3	6.0	8.0	7.0	6.1
Private Equities ⁵	\$4,921	7.2	5.5	8.5	6.3	5.3	7.2	3.8	14.7	(0.0)	1.2
Benchmark		8.1	8.2	8.2	8.1	8.0	8.1	8.2	8.2	8.0	7.7
Real Estate	\$14,814	(13.6)	(5.2)	0.3	2.4	2.8	(13.6)	4.0	12.2	9.0	4.6
Benchmark		(2.6)	1.0	3.7	4.5	4.8	(2.6)	4.7	9.5	7.0	5.8
Infrastructure	\$9,581	(3.5)	1.8	5.6	6.5	7.1	(3.5)	7.4	13.7	9.2	9.6
Benchmark		6.1	6.2	6.2	6.1	6.0	6.1	6.2	6.2	6.0	5.7
Renewable Resources	\$1,633	(6.0)	4.4	7.8	9.8	9.9	(6.0)	16.1	15.0	16.1	10.1
Benchmark		6.1	6.2	6.2	6.1	6.0	6.1	6.2	6.2	6.0	5.7
AIMCo Strategic Opportunities Pool	\$326	(2.0)	8.6	4.9	4.9	3.1	(2.0)	20.3	(2.2)	5.2	(3.9)
Benchmark		13.9	17.5	11.2	12.0	10.3	13.9	21.2	(0.5)	14.4	3.8

1. Includes Tactical Asset Allocation Overlays Market Value of -\$209 million.

2. Money Market and Fixed Income Total Market Value includes \$427 million of notional exposure of this asset class. This is composed of cash and synthetic cash from AIMCo's Tactical Overlay Program, plus notional Fixed Income exposure.

3. Money Market Total Market Value does not include cash held by AIMCo investment pools.

4. Public Equity Total Ending Market Value does not include Tactical & Overlay Program notional exposures in this asset class.

5. Private Equities include Core Private Equities, Relationship Investing and Venture Capital.

6. New client assets added pursuant to the *Reform of Agencies, Boards and Commissions and Government Enterprises Act, 2019*, not included in Total AIMCo Fund calculation.

Performance Benchmarks

For the year ended December 31, 2020

Money Market and Fixed Income	<i>Combination of benchmarks of the sub asset classes</i>
Money Market	FTSE Canada 91-Day T-bill Index
Fixed Income Mid-Term	FTSE Canada Universe Bond Total Return Index
Fixed Income Long-Term	FTSE Canada Long-Term All Government Bond Total Return Index
Mortgages	FTSE Canada Universe Bond Total Return Index
Real Return Bonds	FTSE Canada Real Return Bond Total Return Index
Private Debt and Loan	FTSE Canada Short-Term Overall Index
Segregated Assets - Short Term	FTSE Canada 30-Day T-bill Index
Segregated Assets - Long Term	FTSE Canada 91-Day T-bill Index, FTSE Canada Short-Term Government Index, FTSE Canada Mid-Term Government Index
Equities	<i>Combination of benchmarks of the sub asset classes</i>
Canadian Equities	S&P/TSX Composite Total Return Index
Global Equities	MSCI World Net Total Return Index
Global Minimum Variance	MSCI World Minimum Volatility Optimized in CAD Total Return Index
Emerging Markets Equities	MSCI Emerging Markets Net Total Return Index
Global Small Cap Equities	MSCI World Small Cap Net Total Return Index
Illiquid Markets	<i>Combination of benchmarks of the sub asset classes</i>
Private Equity	Total CPI 1 Month Lagged + 650 bps (5-year rolling average)
Real Estate, Canadian	MSCI REALpac/IPD Canadian All Property Index – Large Institutional Subset
Real Estate, Foreign ¹	MSCI Global Region Property Index
Infrastructure	Total CPI 1 Month Lagged + 450 bps (5-year rolling average)
Renewable Resources ²	Total CPI 1 Month Lagged + 450 bps (5-year rolling average)
AIMCo Strategic Opportunities	MSCI World Net Total Return Index
Tactical Asset Allocation Overlays	N/A

¹ Prior to January 9, 2018, Foreign Real Estate was REALpac/IPD Canadian All Property Index – Large Institutional Subset

² Effective July 1, 2019, Timberlands asset class was renamed Renewable Resources

Asset Class Overviews

Public Equities

\$47.6B

Market Value

3.7%

Net Return

The Public Equities team manages \$47.6 billion in public equities assets across domestic, global and emerging market portfolios. The underlying strategies that make up the public equities portfolio are optimized allocations across several dimensions, including factor, sector and regional exposures. The total public equities portfolio returned 3.7% in 2020, underperforming its benchmark.

The global spread of the COVID-19 pandemic shook world equity markets to the core in the first quarter of 2020. With entire industries almost immediately shuttered and tens of millions left unemployed, equity investor sentiment slipped instantly from ebullience to deep despair, unleashing a wave of market volatility that had never previously been experienced.

Our Canadian Equities Master Pool returned -3.4% for the year, the Global Equities Master Pool returned 5.0%, while the Emerging Markets Master Pool returned 7.0% and the Global Equity Small Cap portfolio returned 4.8% — all below their benchmarks. The Global Minimum Variance portfolio outperformed its benchmark, with a 1.5% return.

The largest detractor in Public Equities' performance was the Volatility Trading Strategy, or VOLTS. Public Equities was unable to anticipate the unprecedented volatility that arose during February and March 2020 and VOLTS experienced dramatic losses that resulted in its closure. Nonetheless, our Public Equities investment teams responded with diligence and vigour, identifying substantial opportunities that led to a significant lift in performance across the latter 3 quarters of 2020.

Both internal and external alpha strategies were key performance contributors in 2020, while quantitative strategies struggled due to a lack of market breadth and challenges specific to factor-based investing. During the fourth quarter, confirmation of both the U.S. Presidential election outcome and vaccine discoveries triggered a powerful rotation from growth to value, which benefited stock selection strategies through year end and into 2021.

The Public Equities portfolios continue to focus on providing clients with equity market exposure in a cost-effective manner and adding alpha relative to the benchmark by taking on active risk when duly compensated. Public Equities undertook a comprehensive strategic review in 2020 with the goal of improving risk management and oversight, while creating better alignment with our clients' goals and objectives.

What is your focus for the future of public equities investment?

“We truly believe that diversification — being careful in our portfolio construction — is the key to long-term performance and to managing and mitigating risk. AIMCo is enhancing and simplifying the Public Equities platform to provide greater choice and transparency for AIMCo’s clients.”

Investment by Sector



● Information Technology	18.8%
● Financials	17.1%
● Consumer Discretionary	12.0%
● Industrials	10.1%
● Telecommunication Services	9.2%
● Health Care	9.2%
● Materials	7.2%
● Consumer Staples	6.0%
● Energy	4.5%
● Utilities	3.0%
● Real Estate	2.9%



Dale MacMaster
Chief Investment Officer



Responsible Investing in Public Equities

The Responsible Investment (RI) team and public equities portfolio managers have bi-monthly meetings to discuss environmental, social and governance (ESG) trends, fund flow information and to review potential controversies in portfolios. RI shares customized, monthly research briefs on risks and opportunities for the investment teams.

Money Market & Fixed Income

\$39.9B

Market Value

7.8%

Net Return

Money Market

AIMCo manages several Money Market portfolios. The main pooled portfolio, Consolidated Cash Investment Trust Fund (CCITF), is managed to provide daily liquidity while attempting to add value over the benchmark. The fund holds primarily short-term securities issued by the Government of Canada, provincial governments, large Canadian banks, pension funds and investment grade corporations. Money market rates plummeted towards zero last spring as COVID prompted the Bank of Canada to provide unprecedented monetary stimulus. During 2020, CCITF earned 0.92%, outperforming the benchmark by 0.06%.

Public Fixed Income

While 2020 was an extraordinary year due to the pandemic, it also resulted in unprecedented reactions in the fixed income markets. With both the economy and financial markets in a precarious position when the full scale of the pandemic became apparent, governments and central banks quickly brought out existing support measures but then did much more. In Canada's case, that resulted in the Bank of Canada's inaugural use of massive quantitative easing for monetary stimulus plus purchases of assorted sectors of the bond market to support market functioning, in addition to cutting overnight rates to near zero. With such policy support, the bond market registered very strong returns for the year.

The Core Fixed Income portfolios produced strong absolute and relative returns for 2020. The Universe Bond portfolio returned 9.9%, outperforming its benchmark by 1.2%, while the Long Bond portfolio returned 13.0%, outperforming its benchmark by 0.9%.

Conservative portfolio construction, strong discipline of portfolio diversification, and focus on short maturity high quality credit allowed us to weather market disruption well in 2020 and contributed to the strong performance. Our interest rate call of neutral to slight long in duration with steepening bias, and exposures to diversified non-directional interest rates strategies has also contributed positively. With our defensive and well-disciplined portfolio positioning, opportunistic investment in corporate bonds and private placements were also made as credit spreads widened to attractive levels during 2020.

While generating strong absolute and relative returns, our bond portfolios also provided strong liquidity support to broader client portfolios and to other asset classes for investment deployment during 2020.

Real Return Bonds

The Real Return Bond portfolio provides inflation protection for our clients. The majority of the portfolio is invested in Government of Canada real return bonds. For 2020, the sharp decline in real yields and increase in inflation expectations resulted in strong portfolio returns of 13.7% which outperformed its benchmark by 0.7%.

Private Mortgages

AIMCo's Private Commercial Mortgage portfolio provides a steady cash flow and premium return over government bonds, aligned with the long-term objectives of our clients. The mortgage portfolio returned 9.4% during 2020, outperforming its benchmark by 0.7%.

The strong absolute return of the portfolio was driven by falling government bond yields. The real estate sector has been impacted in a significant way by the COVID-19 pandemic, especially the hospitality and retail asset classes. The mortgage group proactively worked with affected borrowers to understand impacts to their property level cash flow and address issues on a case-by-case basis, as appropriate.

Given our well-diversified mortgage portfolio and solid underlying loans supported by strong underwriting discipline, there was minimal impact from deferred mortgages or returns due to COVID-19.

Private Debt & Loan

The Private Debt & Loan portfolio proved to be resilient and well positioned despite the pandemic backdrop in 2020. The portfolio returned 5.9% during 2020, outperforming its benchmark by 0.6%.

Since 2016, the team became increasingly cautious about the market late cycle, and proactively constructed a defensive portfolio. Our portfolio had minimum direct exposure to COVID-impacted sectors such as airlines, airports, hotels, entertainment and brick and mortar retail. The team had also avoided leveraged lending in commodity sectors, in general, and was highly selective in cyclical and energy sectors.

In line with the overall credit market, the portfolio had increased loss reserves for certain loans. However, the overall impact on performance was small, with no realized loan losses in 2020.

The flexibility and capability to invest across the capital structure, in both primary and secondary markets globally is our competitive advantage in pursuing relative value to deliver consistent performance over the cycle. Given our defensive investments and well-diversified portfolio construction prior to 2020, the team was able to outperform and capitalize on opportunities from the market dislocations since the first quarter of 2020, while prudently growing the portfolio.

What is your focus for the future of money market and fixed income investment?

“To stay ahead of the curve with constant innovation, identify the best risk-adjusted opportunities and construct a well-diversified portfolio for clients during different market cycles.”



Sandra Lau
*Executive Vice
President,
Fixed Income*

Responsible Investing in Fixed Income

AIMCo's Credit Research team worked with the Responsible Investment group to integrate the corporate bond portfolio into AIMCo's carbon footprint calculations. The Private Debt & Loans team actively conducts ESG due diligence during the underwriting process.

Real Estate

\$14.8B

Market Value

-13.6%

Net Return

What is your focus for the future of real estate investment?

“Building a high-quality, risk-adjusted return portfolio to deliver our clients expected returns.”



Micheal Dal Bello

Senior Vice President, Real Estate

AIMCo's Real Estate team focuses on global themes such as demographics, urbanization, technology and lifestyle to build a leading portfolio of assets in key markets around the world. The preference is to directly own assets with best-in-class partners, who share our approach in creating value and maximizing returns and provide local market expertise. In addition to direct ownership, the team will invest in select funds as part of its opportunistic program to provide exposure to niche strategies and select markets.

The portfolio's core strategy assets are held long term and comprise direct investments in quality office, retail, industrial and multi-unit residential properties located in Canada's major cities. The Canadian program also employs an opportunistic strategy of "Build Core to Hold" that includes new construction and project development land, which carries higher levels of risk and return.

The Foreign program employs an opportunistic strategy of "Manufacturing Core to Sell" through the execution of a project business plan that includes major renovations and leasing to enhance value and new construction until completed.

The Canadian portfolio invested \$658 million in new acquisitions and commitments in 2020. Additions were made to both residential and industrial sectors in both Toronto and Vancouver, as well as participating in a residential opportunistic investment with existing partners. The acquisitions continued the strategy to diversify the portfolio's income stream with a greater weighting to industrial and rental residential assets.

The Foreign portfolio invested \$1.5 billion in new acquisitions and commitments, increasing exposure to residential and industrial in the U.S. and expanding the group's industrial footprint in the U.K. The group invested in new sectors, including the life science sector in the U.S. and the rental apartment development sector in the U.K., and entered the German market with a significant platform investment in an industrial and land development company.

The government forced closure of various portions of the economy caused by COVID-19 created significant headwinds in 2020, particularly in the retail segment of the Canadian and Foreign portfolio. Rent collections remained strong in the industrial, residential and office sectors, but were weak for the retail sector. COVID-19 brought significant headwinds to oil and gas markets, which impacted all real estate holdings in Alberta. These COVID headwinds resulted in valuation losses, that created a drag on the portfolio's overall performance in 2020.

Real Estate ended 2020 with net assets under management of \$14.8 billion, a decrease of \$0.7 billion from the year prior. The shift in the Real Estate portfolio was driven by \$1.7 billion in acquisitions and offset by \$0.3 billion in dispositions and \$2.2 billion in valuation losses.

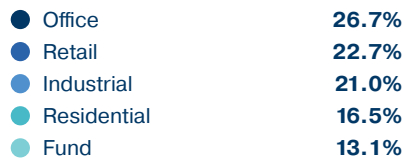
Real Estate achieved a one-year rate of return of -13.6% in 2020, below the benchmark for the same period. Canadian assets returned -14.0% with retail and all Alberta sectors contributing to the bulk of losses. The Foreign Portfolio returned -12.5%, with write-downs in the retail and office portfolios in all geographies contributing the majority of the negative performance for the year.

Over ten years, Real Estate achieved a rate of return of 8.0%, compared to a benchmark return of 7.9%. The slight positive variance demonstrates the resiliency of the portfolio, and ability to generate returns over the long term.

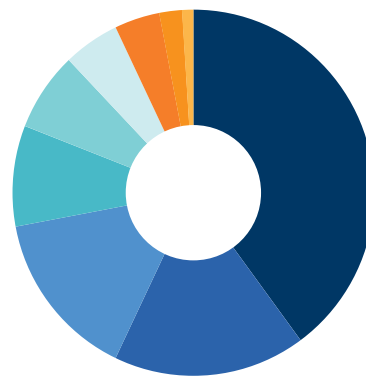
Top 5 Real Estate Holdings

Property	Yorkdale Shopping Centre	Square One Shopping Centre	Scotia Plaza	CF Richmond Centre	Ultrabox Logistics
Sector	Retail	Retail	Office	Retail	Industrial
Geography	Toronto	Toronto	Toronto	Richmond	U.K.

Investment by Sector



Investment by Geography



Responsible Investing in Real Estate

In 2020, AIMCo's Canadian properties onboarded the Energy Star program to enhance energy efficiency performance tracking and benchmarking. Among our Canadian office assets, 95% have green building certifications such as LEED and BOMA Best.

Infrastructure

\$9.6B

Market Value

-3.5%

Net Return

AIMCo infrastructure investments are made in real assets that typically provide an essential service which, over the long term, generate stable, inflation-linked cashflows. The \$9.6 billion portfolio consists primarily of diversified long-term, equity-oriented positions in assets with high barriers to entry, regulated returns or long-term contracted revenues such as utilities, energy infrastructure and transportation.

For 2020, the portfolio return was -3.5%, underperforming its benchmark. The portfolio performance was largely driven by the negative effects associated with COVID-19, which was only modestly offset by the impact of somewhat lower discount rates associated with the current interest environment. Other notable negative impacts included a provision for future taxes, which may be payable if certain assets are sold.

What is your focus for the future of infrastructure and renewable resources investment?

“Infrastructure is rapidly evolving. The past year has demonstrated the critical importance of digital infrastructure in all aspects of our lives and that will only continue, as will our continued focus on long-term sustainability.”

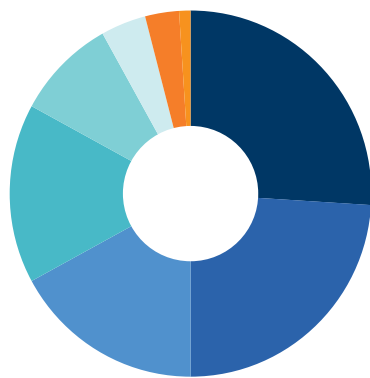


Ben Hawkins
*Senior Vice President,
Infrastructure & Renewable Resources*

Top 5 Infrastructure Holdings

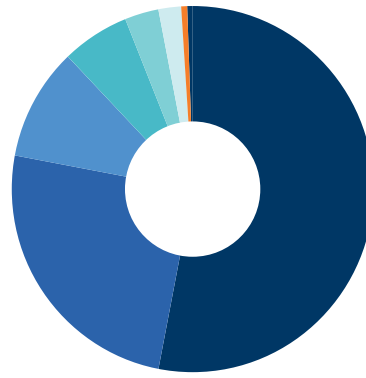
Company	Puget Energy Inc.	Howard Midstream Energy	Porterbrook	SAESA Group	Freeport LNG Investments
Sector	Integrated Utilities	Pipelines & Midstream	Transportation	Integrated Utilities	Pipelines & Midstream
Geography	U.S.	U.S.	U.K.	Chile	U.S.

Investment by Sector



● Pipelines & Midstream	26.4%
● Integrated Utilities	24.1%
● Renewable Energy	17.2%
● Transportation	16.4%
● Telecommunications	8.7%
● Industrials	3.7%
● Water	2.3%
● Power Generation	0.6%
● Other	0.4%
● Waste Management	0.2%

Investment by Geography



● U.S.	52.9%
● Europe & U.K.	25.2%
● South America	10.7%
● Asia	6.4%
● Australia	3.2%
● Canada	1.5%
● Other	0.1%

Renewable Resources

\$1.6B

Market Value

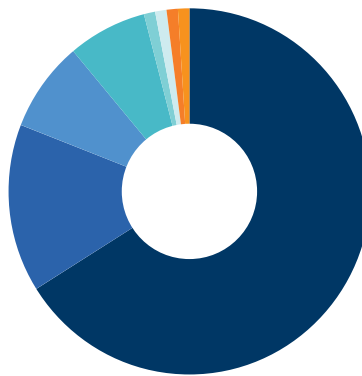
-6.0%

Net Return

AIMCo's Renewable Resources portfolio includes timberland and agricultural investments that provide inflation hedging and a long-term duration match with client obligations. AIMCo manages \$1.6 billion in timberland and agricultural assets situated primarily in North America and Australia.

For 2020, the portfolio return was -6.0%, underperforming its benchmark. The portfolio performance was impacted by the negative effects associated with COVID-19, which contributed to weaker market demand for printing and writing paper in key markets. Other notable negative impacts included a provision for future taxes, which may be payable if certain assets are sold.

Investment by Geography



● Australia	67.4%
● U.S.	15.3%
● Canada	8.1%
● New Zealand	7.6%
● Uruguay	0.6%
● Brazil	0.4%
● Guatemala	0.4%
● Chile	0.2%

Responsible Investing in Infrastructure & Renewable Resources



For the third consecutive year, year-over-year mean GRESB scores across the portfolio improved (79/100), well exceeding the GRESB average (61/100). \$3.7 billion of AIMCo's Infrastructure & Renewable Resources portfolio is invested in low-carbon assets.

Private Equity

\$4.6B

Market Value

7.7%

Net Return

The \$4.6 billion Private Equity portfolio generated a return of approximately 7.7% in 2020, underperforming the benchmark. Similarly, on a four-year annualized basis, the asset class delivered a below-benchmark return of 7.8%. The Private Equity portfolio is comprised of two primary strategies — Private Equity Fund Investments and Directs & Co-Investments. In 2020, the program’s most recent closed-end pool that reflects the current strategy of the program delivered a net internal rate of return (IRR) of 40.9%, 26.3% (annualized) since its inception in 2017.

Our Fund program represents about 61% of our portfolio and invests selectively with the world’s leading Private Equity firms. We aim to invest in established large and middle-market buyout funds primarily in North America and Europe. In 2020, the Funds program committed approximately \$1 billion of new fund investments and nearly \$4 billion since the start of 2017. Although many of our Fund commitments are recent, early returns have been very promising and the steady pace of deployment is expected to continue through 2021.

Our Directs & Co-Investments strategy, representing 39% of the program, focuses on co-control and minority investment positions in private companies, alongside Private Equity Fund partners and other like-minded institutional investors. We seek to make investments primarily in North America and Europe, and across a broad range of industry sectors including Consumer, Industrials, Business Services, Financial Services, Technology and Healthcare.

In 2020, our co-investment portfolio performed very well, reflecting our commitment to investing alongside top-tier fund partners, as well as our co-investment selection process. With the exception of one asset that experienced significant challenges resulting from COVID-19, the co-investment portfolio demonstrated solid resiliency through the pandemic and several assets benefited from valuation increases at year end.

The Private Equity team continues to actively manage both direct and fund investments within the Venture Capital and Relationship Investing strategies. We are not currently making new investments from these platforms and continue to seek opportunistic exits in order to wind down the portfolios in the most value accretive way possible.

What is your focus for the future of private equity investment?

“Strengthening our fund relationships while identifying direct and co-investment opportunities that, together, comprise our core strategy”

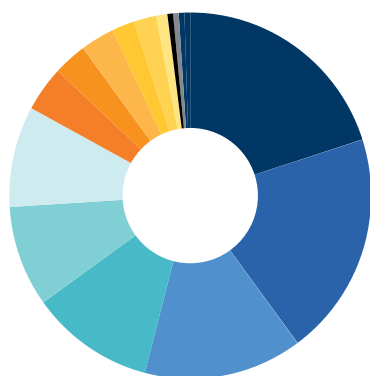


Peter Teti
*Senior Vice President,
Private Equity*

Core Private Equity Top 5 Holdings

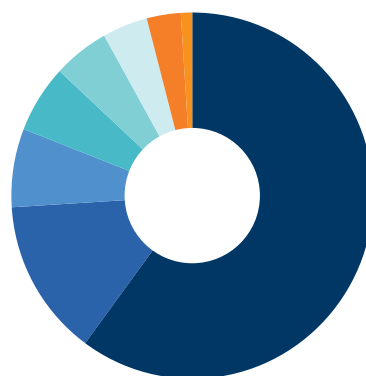
Asset	Hayward Industries Inc	ERM	New Mountain Partners V	Thoma Bravo XIII	Permira VI
Sector	Consumer Discretionary	Business Services	Fund - Diversified	Fund - Information Technology	Fund - Diversified
Geography	North America	Global	North America	North America	Global

Investment by Sector



● Consumer Discretionary	21.6%
● Information Technology	21.2%
● Business Services	15.5%
● Financials	12.0%
● Industrials	9.8%
● Health Care	9.8%
● FOF	3.4%
● Materials	1.9%
● Diversified	1.9%
● Consumer Staples	1.1%
● Telecommunication Services	1.0%
● Undisclosed	0.5%
● Environmental Services	0.2%
● Energy	0.1%

Investment by Geography



● U.S.	60.8%
● Europe	14.5%
● U.K.	6.5%
● Canada	5.5%
● North America	4.8%
● Global	4.0%
● Asia	3.5%
● Latin America	0.4%



Responsible Investing in Private Equity

AIMCo's Private Equity partners and their portfolio companies work closely with the Responsible Investment team to identify and measure ESG performance. More than \$1 billion in new deals for Private Equity underwent an ESG due diligence or ESG review in 2020.



06

***Risk
Management***

In the execution of investing client funds, AIMCo must manage a broad range of risks in order to deliver on its mission and strategic goals in creating value for its stakeholders.

AIMCo's core activity is managing investment risks like market, credit and liquidity risk. However, in managing these investment risks, we are also exposed to non-investment risks, such as operational and business risks, that are also borne by our clients and, to a degree, by our shareholder.

AIMCo's goal is not to eliminate risks, but to optimize risk-taking with a view to maximizing risk-adjusted net returns in accordance with the risk appetites and risk tolerances of our clients and Board. We therefore strive to work proactively with our clients and Board to help them understand the risks and articulate their risk appetite and tolerance for these risks in a way that can be operationalized.

AIMCo has adopted the "three lines of defense" model to manage risks. This is a model that is widely used in the financial services industry. The first line of defense includes all Investment Management and Investment Operations teams as well as supporting functions, such as, Corporate Finance, Human Resources and Business Technology. They are responsible for the day-to-day management of risks within the risk management framework.

The Risk Management Group (RMG), under the leadership of the Chief Risk Officer, together with other functions such as Legal & Compliance, forms the second line of defense. They are responsible for establishing and maintaining the risk management framework, supporting and advising the first line in managing risks optimally within that framework, and independently measuring, monitoring and reporting risk information to management, the Board and clients.

Finally, the third line of defense is formed by AIMCo's Internal Audit Group, which provides independent assurance on the existence and effectiveness of the risk management framework.

An overarching theme for AIMCo is to strive to become world-class in a number of areas, including risk management. We formulated a three-pronged strategy to achieve that goal:

1. Mandate & Governance

Good governance and a clear mandate for Risk Management which is aligned and collaborates with the first line of defense is the first critical ingredient for world-class risk management. At the start of the year, we further developed our risk governance with the formalization of a Liquidity Risk Assessment Methodology, which sets out the methodology for how we measure liquidity risk. However, the 2020 COVID-19 pandemic and the associated unprecedented market volatility that arose from it, highlighted the need for elevating the level of collaboration between the investment and risk management teams. In July 2020, after the conclusion of a Board review, the Board issued ten recommendations to enhance the integration of risk considerations through all aspects of our business, including the strengthening of risk governance and risk culture. In response, Management developed an implementation plan to address each of the Board's recommendations with a comprehensive set of action items that draws across the organization. By the end of the year, we realized the following progress towards completing the Board-adopted recommendations and advancing the level of maturity of the risk management framework:

- Establishing an Active Risk Appetite Statement that was approved by the Board
- Defining the basis for risk controls in a new Active Risk Management Policy
- Incorporating risk culture competency questions in all recruitment processes
- Introducing risk factors and risk competencies in our Hire Potential Training program
- Conducting initial external talent market scans needed to update our management succession plan for risk and investment teams
- Collaborating with an Executive Steering Committee to develop and adopt a formalized operational risk management program and establish an Executive level Operational Risk Committee

Additionally, in early 2021, AIMCo decided to formally establish a standing Enterprise Risk Committee of the Board to oversee the management of AIMCo's enterprise and non-investment risk exposures in an integrated manner. The Enterprise Risk Committee is expected to be fully operational in 2021.

2. People & Organization

The second prong of the strategy focuses on making sure we have the right mix of risk management professionals working in a clear organizational structure with clearly defined roles. We continue to strengthen the RMG by deepening the expertise within the team and adding to the Client Risk Management team to support our goal of increasing the interaction on risk with our clients.

3. Data & Systems

Effective investment risk management requires extensive data sets, sophisticated models and powerful systems. We set out to select and implement two systems. The first is a balance sheet risk management system to support clients in designing an investment strategy to achieve their strategic goals and support AIMCo in designing investment products that are effective building blocks in clients' investment strategies.

The second is a portfolio risk management system to support AIMCo's portfolio managers in the day-to-day management of AIMCo's investment products.

In 2019, we completed the implementation of our balance sheet risk management system, Ortec GLASS, and implemented the governance structures and processes necessary to provide risk and strategic portfolio construction advisory services to AIMCo's clients. We look forward to collaborating with our clients in 2021 to model their liabilities in the system, provide strategic portfolio construction advice and measure, monitor and report their balance sheet risks (funded status risk, contribution risk, etc.)

We also continued implementing our new investment risk system, FactSet Portfolio Analytics.

We expect the transition to FactSet to occur in the second half of 2021. Once implemented, the system will enable us to significantly elevate the accuracy, timeliness and relevance of our investment risk estimates and analysis and to bring real-time investment risk management tools to AIMCo's portfolio managers.

Looking Forward — Risk Management to Support Long-Term Performance

For the next 12 months, Risk Management will be focused on completing the implementation of the FactSet risk system as well continuing with the execution of Management's implementation plan for enhancing risk management integration with the aim to have almost all action items fully completed. These will include:

- Updating the Enterprise Risk Management Framework
- Establishing an integrated Operational Risk Management program and policy
- Reviewing and refining AIMCo's risk taxonomy
- Extending the Board-approved Risk Appetite Statement
- Formalizing and aligning the approval processes for the introduction of new investment products, investment strategies, financial instruments, counterparties and material transactions, including an independent risk assessment by the RMG
- Completing a review of the Derivative Instrument Approval Policy
- Collaborating with Human Resources in risk culture education and risk awareness training
- Enhancing risk reporting to management, Board and clients

07

**Responsible
Investment**



AIMCo strives to integrate environmental, social and governance (ESG) factors into our investment decision-making processes to unlock investment opportunities, mitigate risk and identify drivers of long-term growth. Our priority is our clients — all Albertans. Our objective is to actively contribute, through our responsible investment activities, to better investment outcomes.

Our responsible investing philosophy is guided by our:

Fiduciary Duty

We base our investment decisions on anticipated risk-adjusted performance, but we also consider the positive or negative impact that ESG factors are likely to have on long-term risk and return.

Long-Term Investment Horizon

We focus on the preservation of capital over the long term to enable our clients to meet their financial obligations.

Vision & Core Values

Our vision is to enrich the lives of Albertans by building prosperity, security and opportunity across generations. Our core values are excellence, transparency, humility, integrity and collaboration.

2020 Responsible Investment Highlights

Recognition

AIMCo achieved its best performance yet in the 2020 PRI Survey earning “A+” in 12 out of 14 categories and “A” in the remaining two categories



AIMCo Real Estate maintained its four-star GRESB rating while participating Infrastructure assets improved their year-over-year scores and achieved their highest GRESB ratings to date



ESG Integration

Conducted ESG Due Diligence for 27 deals across asset classes, representing over \$6 billion in potential investment value

Refined our external manager assessment tool that tracks the ESG quality of the portfolio relative to the ESG quality of its benchmark

Onboarded a new tool for controversy monitoring across asset classes

Navigating the Transition to a Low-Carbon Economy



Expanded carbon footprint calculations across 4 asset classes, including fixed income and infrastructure

Increased carbon footprint AUM coverage to 61%, from 26% in 2019

Conducted climate scenario analysis for transition risk, using International Energy Agency scenarios

Contributed to the G7 Investor Leadership Network's (ILN) report, [Climate Change Mitigation and Your Portfolio \(2020\)](#), offering a practical investor toolkit for evaluating decarbonization pathways by sector



Stewardship & Advocacy

Voted on 33,000+ ballot items, exercising shareholder voice on behalf of our clients at more than 3,000 AGMs in 56 countries

Released a joint statement in collaboration with CEOs of eight Canadian pension plan investment managers calling for strengthened corporate ESG disclosure

Conducted engagements with 78 issuers on ESG topics ranging from how companies are faring during COVID-19 to cyber-security and climate change preparedness

AIMCo was a founding signatory to the [Canadian Investor Statement on Diversity and Inclusion](#), facilitated by the Responsible Investment Association (RIA)

Want to learn more about Responsible Investing at AIMCo? [Read our RI report.](#)



08

Pandemic Pivots

Love it or loathe it, “pivot” was one of the business buzzwords of 2020. Within AIMCo and at the companies in which we invest, creative and critical initiatives emerged in response to the pandemic.

Airport Ready to Help

When London City Airport made the decision to temporarily cease commercial air traffic due to COVID-19, the airport indicated to government that the runway could remain open for military and medical supply access. A nearby event centre was being repurposed for a testing and hospital facility, so being willing to help made good sense.

Meanwhile, efforts to enhance health and safety measures took off. When travellers returned, the airport was ready with a number of new measures including:



An enhanced cleaning regime, including a long-life anti-microbial surface treatment used throughout the airport



Clear signage and floor markings to help maintain social distancing and to guide passengers through the airport



Acrylic screens at key points of interaction, such as check-in desks



Touch-free hand sanitizer stations



Advanced crowd monitoring technology to identify and manage busy areas

The airport, an asset our clients hold in their Infrastructure portfolios, was awarded with certification from the Airports Council International Airport Health Accreditation program. It recognizes airports around the world that deploy world-leading health and safety practices in response to the COVID-19 pandemic.

Gig Board

When AIMCo shifted to working from home, like many organizations, we lost out on some of those chance encounters and conversations that lead to collaboration and opportunities to help one another. Some people were overloaded with work and the added demands of pandemic homelife, while others found themselves with extra time on their hands.

We needed a digital solution to match the new online working reality. Enter the Gig Board. The online space listed opportunities for people willing and able to help another team with short-term projects. From May 2020 to January 2021, 15 gigs were filled, with participants benefiting from expanding their skillsets and exposure to AIMCo teams they hadn't worked with before.

With rave reviews, this pandemic pilot is expected to be a permanent fixture at AIMCo.

The AIMCo Exchange

No networking? No problem. To ensure team members continued to connect with one another despite missing out on everyday office interactions, AIMCo launched the AIMCo Exchange, a unique virtual program designed to enable informal connections and introduce employees based on similar interests and goals.

Since its launch in October of 2020, 409 AIMCo employees adopted the program, and 789 pairings were made leading to:



95% feeling more connected to AIMCo's people and culture



89% considering their introduction a valuable addition to their professional network



65% connecting with a colleague they had never connected with before

Vaccines at the Mall



A vacant space in Scarborough Town Centre, an asset in our clients' real estate portfolios, was transformed into one of Toronto's first mass vaccination clinics. Equipped to deliver more than 3,000 doses daily, the mall offered health care workers an accessible and familiar venue to reach the community and deliver life-saving immunizations.

The decision to donate the space made sense from a number of angles. The shopping centre is a well-known community hub with excellent public transit access and plenty of parking. The location met Toronto Public Health's requirements for an exterior entrance with adequate space for socially distanced queueing and facilities for the health care staff working at the site.

The partnership between Scarborough Town Centre and Toronto Public Health provided some much-needed optimism that we are getting closer to emerging from the pandemic.

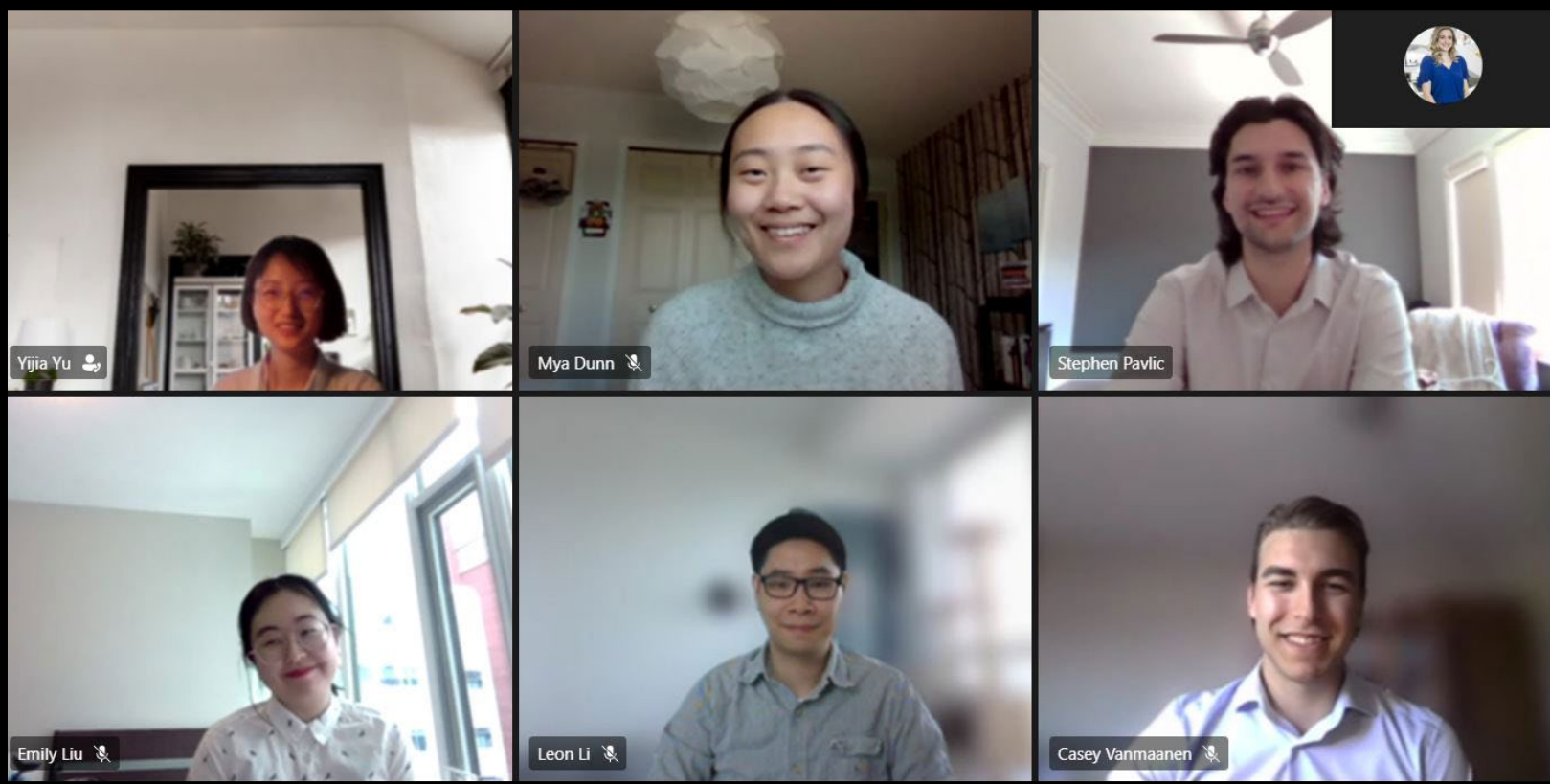
BGIS Quick to Learn

BGIS, a Canadian-based company in AIMCo's Private Equity portfolio, is a leading global provider of integrated facilities management and real estate services. When the coronavirus crisis hit, the company had to be on top of all aspects of the response, in jurisdictions around the world.

While the organization was accustomed to working with vendors to ensure clients' office buildings were safe and clean, suddenly there were new measures to consider — social distancing, infection control, self isolation practices and return to work protocols. BGIS developed rigorous requirements for the disinfection of sites, based upon science and characteristics of the virus. They also became experts at sourcing personal protective equipment (PPE) to keep team members and customers protected. BGIS' clients deliver essential services to communities around the world, and its operations have therefore remained critical throughout the pandemic.



Students Still Welcome



Once it became clear COVID-19 wasn't going anywhere before summer, AIMCo's highly-regarded student program had two choices — adapt or risk missing out on the benefits of bright young minds. The coordinating team didn't hesitate, shifting the initiatives that make it successful online and salvaging the essence of the program. A welcome from executives, coffee sessions with the CEO, panel presentations from former student program alumni, and lunch-and-learn sessions from departments across AIMCo were all still possible.

Twenty-eight students joined AIMCo for the inaugural virtual cohort. The remote opportunity allowed AIMCo to welcome students from across Canada — no moving required. It turned out there were other advantages too. Some students found it easier to learn as they were able to record virtual training sessions and replay them as they learned their duties. Being able to refer to the videos as needed gave them more independence and confidence, reducing the number of questions for supervisors.

Despite not being able to meet AIMCo colleagues in person, students were able to develop their network by participating in the AIMCo Exchange and AIMCo Coaching programs. Ten students from the 2020 summer cohort stayed with us part-time as they continued their studies and seven accepted full-time, permanent offers.

09

**AIMCo
Foundation**



The AIMCo Foundation for Financial Education surpassed a significant fundraising milestone in 2020 — half a million dollars. The registered charity provides grants to organizations offering financial literacy or empowerment programming, along with scholarships for students pursuing formal post-secondary education in a financial field.

With more than \$860,000 raised since the AIMCo employee-led foundation launched in 2018, the million-dollar mark is now coming into focus. As for grants and scholarships, more than \$460,000 has gone out, to date.

2020 Grant & Scholarship Recipients



Financial Literacy & Money Management Workshops

*ABC Head Start Society
(Edmonton)*



Dollars with Sense School Program

*Junior Achievement
(Northern Alberta & NWT)*



Training for Front-Line Staff

Momentum Community Economic Development Society (Calgary)



Empower U Financial Literacy Program

*United Way
(Alberta Capital Region)*



22 Students

*University of Alberta
University of Calgary
MacEwan University
NAIT & SAIT*

10

**Governance
& Board of
Directors**



AIMCo is a Crown Corporation of the Province of Alberta committed to the highest standards of corporate governance — including a highly-qualified Board of Directors — with complete operational independence.

In accordance with the Alberta Investment Management Corporation Act, the Board of Directors is responsible for overseeing the management of the business and affairs of AIMCo. All directors are fully independent of management.

Directors are required by statute to act honestly and in good faith with a view to the best interests of the corporation and, as such, are required to exercise due care, diligence and skill, and manage risk appropriately in their oversight of AIMCo.

Board Operations

The Board of Directors has established five standing committees, which assist the Board in discharging its responsibilities. At every meeting of the Board of Directors, the Board and all Committees have in-camera sessions, without management attending.

Audit Committee

- Tom Woods (Chair)
- Phyllis Clark
- Helen Kearns
- Roger Renaud
- Jackie Sheppard
- Mark Wiseman*

Responsible for: Financial reporting processes, development and implementation of internal audit and financial control policies, and compliance with said policies and applicable laws and regulations.

Enterprise Risk Committee

- Sharon Sallows (Chair)
- Phyllis Clark
- Jim Prieur
- Roger Renaud
- Mark Wiseman*

Responsible for: Assisting the AIMCo Board of Directors in fulfilling its obligations to oversee risk management and risk governance. The Committee is responsible for overseeing all elements of risk management and governance that are not retained for the direct oversight of the Board or delegated to another committee of the Board, and is responsible for overseeing the management of AIMCo's enterprise risk exposure in an integrated manner.

Governance Committee

- Jackie Sheppard (Chair)
- Helen Kearns
- Bob Kelly
- Ken Kroner
- Mark Wiseman*
- Tom Woods

Responsible for: Policies, processes and procedures that comprise AIMCo's corporate governance framework, including overseeing terms of reference for the Board of Directors and each Board Committee, Board recruitment, conducting Board evaluations, and generally ensuring the principled and effective operation of the Board of Directors.

Investment Committee

- Jim Prieur (Chair) and all other Board members

Responsible for: Investment activities, risk management and operations of AIMCo and voting on specific investment-related matters.

Human Resources and Compensation Committee

- Ken Kroner (Chair)
- Bob Kelly
- Jim Prieur
- Sharon Sallows
- Mark Wiseman*

Responsible for: Human resources strategy, philosophy and policies of the Corporation in alignment with corporate objectives, organizational structure, management development and succession, and compensation practices with the support of an external consultant.

**As Chair of the Board of Directors, Mark Wiseman is a mandatory member of the Governance Committee, and a non-voting, ex-officio member of the Audit, Enterprise Risk and Human Resources Committees.*

Board Diversity

AIMCo and its Board of Directors recognize and fully support the aims of diversity and inclusion. In assessing Board candidates and selecting nominees for the Board, the Governance Committee will consider diversity of skills, experience, geographic background and gender.

The Board has a policy objective to achieve gender parity, consistent with the Board's commitment to gender diversity and greater representation of qualified women on boards, in alignment with the aims of robust board governance.

Standards of Conduct

The Board of Directors is committed to upholding the highest standards of corporate conduct across all levels of the organization.

Specific policies have been adopted by the Board that outline acceptable standards of conduct for directors, including the Director Trading Policy and the Director Conflict of Interest Policy.

Board Evaluation & Assessment

Each year, the directors complete a board self-evaluation questionnaire that is designed to aid in assessing their effectiveness as a board in key areas and provide suggestions for improvement. The Chair of the Board facilitates this process.

Mandate & Roles Document

In addition to the legislation pertaining specifically to AIMCo, the organization's roles and responsibilities are articulated in its Mandate and Roles Document (MRD). AIMCo's MRD was created collaboratively between the Minister of Finance and the AIMCo Board and came into force in September 2017.

The agreement provides transparency and codification of a set of commitments made by AIMCo and the Government of Alberta, confirming that AIMCo will continue to operate independently and will continue to have a diverse and appropriately qualified board.

Code of Conduct and Ethical Standards

AIMCo has established the Code of Conduct and Ethical Standards for officers and employees outlining the organization's expectations regarding conflicts of interest, gifts and entertainment, confidentiality, and personal trading.

The Code applies to all AIMCo employees, including executive officers, and compliance with it is a condition of employment. All compliance exceptions, if any, are reported to the Audit Committee and dealt with as appropriate.

Confidential Reporting Policy

In accordance with governance best practices and applicable law, AIMCo has an established Confidential Reporting Policy and all AIMCo personnel, service providers and clients may confidentially report any failure to comply with the Code of Conduct and Ethical Standards.

In 2020, AIMCo received five disclosures through the confidential reporting system, two of which referenced the same underlying set of allegations. Two reports were investigated under our Confidential Reporting Policy, neither of which resulted in remedial action. One report was referred for consideration outside of the Confidential Reporting Policy.

Our Board



Mark D. Wiseman
Board Chair

Location: Toronto, Ontario, Canada
Director Since: 2020

Top Executive Experience

- CEO of a major corporation
- Other top executive

Investment Management & Investment Risk Experience

- Asset/Investment Management
- Public Markets
- Private Markets
- Investment Risk

Other Related Competencies

- Corporate Responsibility /ESG
- Client Engagement & Stakeholder Relations
- Global Business Experience
- Business Transformation
- Corporate Governance

Mark Wiseman is a Canadian investment manager, business executive and an industry-leading expert in alternatives and active equity investments. Among his advisory roles with various organizations, Mark serves as a part-time Senior Advisor to Hillhouse Capital and Boston Consulting Group.

Until the end of last year, he was a Senior Managing Director at BlackRock, Global Head of Active Equities, Chairman of its alternatives business, and Chairman of BlackRock's Global Investment Committee. He also served on BlackRock's Global Executive Committee.

Prior to joining BlackRock in 2016, Mark was President & CEO of the Canada Pension Plan Investment Board (CPPIB). Mark joined CPPIB in June 2005 as the organization's Senior Vice-President, Private Investments. He was later named Executive Vice-President, Investments, responsible for managing all of the investment activities of CPPIB. He was named President & Chief Executive Officer in 2012.

Mark holds a Bachelor of Arts from Queen's University and a law degree and Masters in Business Administration from the University of Toronto. He was also a Fulbright Scholar at Yale University, where he obtained a Master of Laws. Mark is a regular lecturer at the Harvard Business School and the University of Toronto and is an adjunct professor at Tsinghua University.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	3 of 3	100%
Audit Committee	2 of 2	100%
Governance Committee	3 of 3	100%
Human Resources and Compensation Committee	3 of 3	100%
Investment Committee	3 of 3	100%



J. Richard Bird
Board Chair

Location: Calgary, Alberta, Canada
Director Since: 2014 - 2020

Mr. Bird retired as Chairman of the AIMCo Board of Directors and from the Board effective June 30, 2020.

J. Richard Bird retired from Enbridge Inc. in early 2015, having served as Executive Vice President, Chief Financial Officer and Corporate Development, and various other roles, including: Executive Vice President Liquids Pipelines, Senior Vice President Corporate Planning and Development, and Vice President and Treasurer.

Mr. Bird currently serves on the Board of Directors of Bird Construction Company Inc. He was named Canada's CFO of the Year for 2010. He holds a Bachelor of Arts degree from the University of Manitoba, and a Masters of Business Administration and PhD from the University of Toronto and has completed the Advanced Management Program at Harvard Business School.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	2 of 2	100%
Governance Committee	1 of 1	100%
Human Resources and Compensation Committee	2 of 2	100%
Investment Committee	2 of 2	100%



Phyllis Clark

Location: Edmonton, Alberta, Canada

Director Since: 2017

Top Executive Experience

- Other top executive

Other Related Competencies

- Risk Management
- Corporate Responsibility/ESG
- Client Engagement & Stakeholder Relations
- Talent Management & Performance
- Business Transformation
- Information Technology
- Corporate Governance

Phyllis Clark served as the Vice-President (Finance and Administration) and Chief Financial Officer at the University of Alberta, from 2002 to 2016. Previously, she spent five years as Vice-President (Finance and Administration) at York University, and prior to that, she was Assistant Deputy Minister of Ontario’s Management Board Secretariat. Between 1991 and 1992, Ms. Clark was the Province of Ontario’s Chief Economist and Assistant Deputy Minister of Finance. She was the Chair of the Audit Committee for the Bank of Canada for four years.

Ms. Clark currently chairs the Board of Directors for the Royal Canadian Mint and serves on the Board of Directors for the Inuvialuit Investment Corporation and the Board of Trustees for the University Hospital Foundation. She also chairs the Edmonton Symphony and Concert Hall Foundation Board. Ms. Clark was born in Lethbridge, Alberta, and graduated from the University of Toronto in 1970 with a Bachelor of Arts degree in Political Science and Economics. She went on to complete her Doctorial Candidacy and Master of Arts in Economics at the University of Michigan in 1973.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	5 of 5	100%
Audit Committee	5 of 5	100%
Investment Committee	5 of 5	100%



Helen Kearns

Location: Toronto, Ontario, Canada

Director Since: 2015

Top Executive Experience

- Other top executive

Investment Management & Investment Risk

- Asset/Investment Management
- Public Markets
- Private Markets
- Investment Risk

Other Related Competencies

- Risk Management
- Corporate Responsibility/ESG
- Client Engagement & Stakeholder Relations
- Corporate Governance

Helen M. Kearns is the Chief Executive Officer of Bell Kearns & Associates Ltd., an investment consulting firm. Previously Helen was President of NASDAQ Canada (2001-2004) and an officer of NASDAQ Inc., the largest electronic trading platform in the world. Prior to that, Helen was the first woman in Canada to become Head of Institutional Sales and Trading at a large integrated brokerage firm, Richardson Greenshields of Canada Limited. From 1993 until 1995, she led the Institutional Equity business at Richardson Greenshields, a role that included a seat on the Executive Committee.

Helen served on the Board of Ontario Teachers' Pension Plan and as Governor of the Board of TSX for three terms. She is a member of the Advisory Board of Kingsett Canadian Real Estate Income Fund and has previously served as Lead Director of the same Board.

In 2019, Ms. Kearns became the fourth woman in Canada to be inducted into the Investment Industry Association of Canada's Hall of Fame. Ms. Kearns was a recipient of the John Molson School of Business Award of Distinction in 2002. She is also a recipient of the Montreal Board of Trade Women of Distinction Award (2002) and was recognized by the Financial Post as one of the 100 Most Powerful Women in Canada (2004).

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	5 of 5	100%
Audit Committee	5 of 5	100%
Investment Committee	5 of 5	100%



Robert (Bob) P. Kelly

Location: Boca Raton, Florida, U.S.
Director Since: 2020

Top Executive Experience

- CEO of a major corporation

Investment Management & Investment Risk

- Asset/Investment Management

Other Related Competencies

- Risk Management
- Client Engagement & Stakeholder Relations
- Global Business Experience
- Talent Management & Performance
- Business Transformation
- Corporate Governance

Robert (Bob) P. Kelly was Chairman and CEO of The Bank of New York Mellon Corporation until 2011. Prior to that, he was Chairman, Chief Executive Officer and President of Mellon Bank Corporation, Chief Financial Officer of Wachovia Corporation, and Vice-Chairman of Toronto-Dominion Bank.

Mr. Kelly currently serves as Lead Independent Director of IHS Markit. He was previously the chairperson of the Canada Mortgage and Housing Corporation from 2012 until March 2018 and the chairman of the board of directors of Santander Asset Management from 2012 until December 2017.

Mr. Kelly has served as Chancellor of Saint Mary’s University in Canada, was a former member of the boards of the Financial Services Forum, Federal Advisory Council of the Federal Reserve Board, Financial Services Roundtable, Trilateral Commission (North American Group), and Institute of International Finance, and was a former member of the board of trustees of St. Patrick’s Cathedral in New York City, Carnegie Mellon University in Pittsburgh, and the Art Gallery of Ontario.

Mr. Kelly holds a B.Comm. from Saint Mary’s University and an MBA from the Cass Business School, City University, London, United Kingdom, and is a CPA, Chartered Accountant and Fellow Chartered Accountant. Mr. Kelly has been awarded honorary doctorates from City University and Saint Mary’s University.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	2 of 2	100%
Audit Committee	1 of 1	100%
Governance Committee	3 of 3	100%
Human Resources and Compensation Committee	1 of 1	100%
Investment Committee	3 of 3	100%



Dr. Kenneth (Ken) F. Kroner
*Human Resources and
 Compensation Committee Chair*

Location: San Rafael, California, U.S.
Director Since: 2016

Top Executive Experience

- Other top executive

**Investment Management
 & Investment Risk**

- Asset/Investment Management
- Public Markets
- Investment Risk

Other Related Competencies

- Risk Management
- Global Business Experience
- Business Transformation

Dr. Kenneth F. Kroner (Ken) is CEO of Pluribus Labs, a new systematic investment manager that utilizes a unique exposure-driven investment process to create innovative investment solutions for its clients.

Ken is a former Senior Managing Director at BlackRock, where he was global head of Multi-Asset Strategies and global head of Systematic Active Equities. These teams were responsible for several hundred billion dollars of active investment strategies. Ken also served as a member of BlackRock’s Global Executive Committee and BlackRock’s Global Operating Committee. Previously, Ken was an associate professor of economics and finance at the University of Arizona.

Ken serves or has served on various academic boards, foundation boards and academic journal editorial boards. His research on forecasting volatility and asset returns has been widely published in both academic and practitioner journals. He earned a BA degree in mathematics and economics from the University of Alberta and a PhD in economics from the University of California at San Diego.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	5 of 5	100%
Governance Committee	5 of 5	100%
Human Resources and Compensation Committee	5 of 5	100%
Investment Committee	5 of 5	100%



C. James (Jim) Prieur
Investment Committee Chair

Location: Chicago, Illinois, U.S.
Director Since: 2016

Top Executive Experience

- CEO of a major corporation

Investment Management & Investment Risk

- Asset/Investment Management
- Public Markets
- Private Markets
- Investment Risk

Other Related Competencies

- Risk Management
- Corporate Responsibility/ESG
- Client Engagement & Stakeholder Relations
- Global Business Experience
- Talent Management & Performance
- Business Transformation
- Information Technology
- Corporate Governance

C. James Prieur served as Chief Executive Officer and director of CNO Financial Group, Inc. from 2006 until his retirement in 2011. Mr. Prieur began his career in 1979 at Sun Life Financial in Investments and became corporate President and Chief Operating Officer in 1999.

He serves as Chair of the Risk Committee of the Board of Manulife Financial Corporation and as Chair of the Corporate Governance Committee of Ambac Financial Group, Inc., as well as the not-for-profit Music of the Baroque.

Mr. Prieur is a Chartered Financial Analyst and holds an MBA from the Richard Ivey School at Western University and a Bachelor of Arts from the Royal Military College of Canada.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	4 of 5	80%
Governance Committee	4 of 5	80%
Human Resources and Compensation Committee	3 of 5	60%
Investment Committee	3 of 5	60%



Roger Renaud

Location: Montreal, Quebec, Canada

Director Since: 2019

Top Executive Experience

- CEO of a major corporation
- Other top executive

Investment Management & Investment Risk

- Asset/Investment Management
- Public Markets
- Private Markets
- Investment Risk

Other Related Competencies

- Corporate Responsibility/ESG
- Client Engagement & Stakeholder Relations
- Global Business Experience
- Talent Management & Performance
- Business Transformation

Roger A. Renaud, CFA is a highly accomplished executive with extensive Canadian and international board experience at successful investment management firms. Mr. Renaud is a former President, Canada and Global Chief Operating Officer of Manulife Asset Management (MAM), the global asset management arm of Manulife. He also oversaw the integration of Standard Life Investments (Canada) with MAM to become one of the largest pension managers in Canada.

Since 2018, Mr. Renaud has been a director of the capital development fund Fonds de solidarité FTQ and previously served on several Canadian and international boards related to Manulife and Standard Life between 1998 and 2018. Mr. Renaud holds a Bachelor of Science in Actuarial Science from Laval University and a CFA Charter from the CFA Institute. He also completed the Program for Management Development at Harvard Business School.

As a director of several boards including non-profit organizations, Mr. Renaud has acquired extensive experience over the past 20 years in investment management, social responsibility, corporate transformation, strategy and planning, risk management, pension plans and corporate governance.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	5 of 5	100%
Audit Committee	5 of 5	100%
Investment Committee	5 of 5	100%



Sharon Sallows

Enterprise Risk Committee Chair

Location: Toronto, Ontario, Canada

Director Since: 2017

Top Executive Experience

- CEO of a major corporation

Investment Management & Investment Risk

- Private Markets
- Investment Risk

Other Related Competencies

- Risk Management
- Global Business Experience
- Talent Management & Performance
- Corporate Governance

Sharon Sallows is a professional director with significant public and private company experience. Ms. Sallows currently serves as a director of Home Capital Group Inc and chairs its Human Resources and Compensation Committee. She is also a trustee of RioCan Real Estate Investment Trust and Chartwell Retirement Communities. Previous directorships include Ontario Teachers Pension Plan, USA REIT, Executive Risk Services and Maple Mortgage Trust.

Previously, Ms. Sallows was a principal in Ryegate Capital Corporation, a company engaged in the provision of merchant banking and advisory services to institutional and corporate clients. Ms. Sallows is a former Executive Vice-President of MICC Properties Inc. and, prior to that, held various positions at the Bank of Montreal including Senior Vice-President, Real Estate, Corporate Banking.

Ms. Sallows received a BA from Carleton University, a M.Sc. from the London School of Economics, a PhD from The Wharton School, University of Pennsylvania and is a holder of the Institute of Corporate Directors Director designation.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	5 of 5	100%
Governance Committee	5 of 5	100%
Human Resources and Compensation Committee	5 of 5	100%
Investment Committee	5 of 5	100%



Jackie Sheppard
Governance Committee Chair

Location: Calgary, Alberta, Canada
Director Since: 2018

Top Executive Experience

- Other top executive

Investment Management & Investment Risk

- Private Markets
- Investment Risk

Other Related Competencies

- Risk Management
- Corporate Responsibility/ESG
- Global Business Experience
- Talent Management & Performance
- Business Transformation
- Corporate Governance

Jackie Sheppard is the former Executive Vice President, Corporate and Legal of Talisman Energy Inc. Ms. Sheppard is Chair and Director of Emera Energy Inc. She has been an Emera Director since February 2009 and became Chair of the Board in May 2014. She served as the inaugural Chair of the Research and Development corporation of the Province of Newfoundland and Labrador, a Provincial Crown Corporation, until June 2014. She is founder and Lead Director of Black Swan Energy Inc., an Alberta upstream energy company that is private equity financed. She is also a Director of ARC Resources Ltd., a publicly traded energy company focused on Canadian natural gas development. She was a Director of Cairn Energy PLC, a publicly traded U.K.-based international upstream company, until retiring from that board at the end of 2018.

Ms. Sheppard is a Rhodes Scholar, having received an Honours Jurisprudence, Bachelor of Arts and Master of Arts from Oxford University. She earned a Bachelor of Laws degree (Honours) from McGill University and a Bachelor of Arts degree from Memorial University of Newfoundland. Ms. Sheppard also holds an honorary Doctor of Laws from Memorial University of Newfoundland and has been appointed as Queen’s Counsel for the Province of Alberta.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	5 of 5	100%
Audit Committee	5 of 5	100%
Investment Committee	5 of 5	100%



Robert L. "Jay" Vivian Jr.

Location: Truro, Massachusetts, U.S.

Director Since: 2014 - 2020

Mr. Vivian retired from the AIMCo Board of Directors effective December 29, 2020.

Robert L. "Jay" Vivian is the retired Managing Director of the \$100 billion IBM Retirement Funds system. Mr. Vivian is a member and Governance Fellow of the National Association of Corporate Directors, and the founding Chair of the Investment Committee, a member of the Board and Executive Committee, and Corporate Secretary, of the Committee on Investment of Employee Benefit Assets, the \$2 trillion trade group of U.S. corporate retirement funds. He is also on the Investment Advisory Board of Rebalance, a small low-cost investment advisor.

He holds a Bachelor of Arts degree in Mathematics from Bowdoin College, a Masters of Business Administration from Harvard Business School, and a CFA® Charter from the CFA Institute.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	4 of 4	100%
Human Resources and Compensation Committee	4 of 4	100%
Investment Committee	4 of 4	100%



Tom D. Woods
Audit Committee Chair

Location: Toronto, Ontario, Canada
Director Since: 2015

Top Executive Experience

- Other top executive

Investment Management & Investment Risk

- Private Markets
- Investment Risk

Other Related Competencies

- Risk Management
- Client Engagement & Stakeholder Relations
- Talent Management & Performance
- Business Transformation
- Corporate Governance

Tom Woods spent his entire career with CIBC and Wood Gundy, the predecessor firm of CIBC World Markets. He started in Investment Banking, advising companies raising financing in the equity and debt capital markets as well as mergers and acquisitions, and later was Head of Canadian Corporate Banking, Chief Financial Officer, Chief Risk Officer, and retired in 2014 as Vice Chairman.

Mr. Woods serves on the boards of Bank of America Corporation; Merrill Lynch International; the CIBC Children’s Foundation; St. Michael’s Hospital Foundation; and the Board of Advisors of the Department of Mechanical and Industrial Engineering, University of Toronto.

Mr. Woods has a Bachelor of Applied Science in Industrial Engineering from University of Toronto, and an MBA from Harvard Business School.

Regular Meeting Attendance April 1, 2020 - March 31, 2021		
Board / Committee	Meetings Attended	Total
Board of Directors	4 of 5	80%
Audit Committee	5 of 5	100%
Governance Committee	5 of 5	100%
Investment Committee	4 of 5	80%

Board Experience & Competencies

Director appointments are made with the intention of creating a board comprised of individuals who, in the aggregate, have the full range of proven skills, knowledge and experience necessary to effectively oversee AIMCo in achieving its objectives, with an emphasis on the following categories of required expertise:

- Significant executive leadership, including proven experience developing vision and strategy, achieving operational effectiveness, and fostering an ethical and performance-based culture
- Highly sophisticated investment decision-making experience
- Direct investment or operating experience in large, capital-intensive infrastructure, real estate or private equity investments or assets
- Highly sophisticated risk management and related decision-making experience.

The AIMCo Board of Directors has also undertaken a commitment to prioritize diversity and inclusion through all levels of the organization, including at the board level. A deliberate consideration of future board appointments is to ensure its membership reflects diversity in its broadest sense with a combination of culture, demographics, skills, experience, race, age, gender, educational and professional backgrounds, such that a range of perspectives may be drawn upon in the effective governance of the organization.

Board Experience & Competencies

	Mark Wiseman	Phyllis Clark	Helen Kearns	Ken Kroner	Jim Prieur	Sharon Shallows	Jackie Sheppard	Tom Woods	Roger Renaud	Bob Kelly	Total	
Top Executive Experience	Top Executive – Significant Corporation											
	CEO of a major corporation	x				x			x	x	4	
	Other top executive		x	x	x		x	x	x		6	
Investment Management & Investment Risk	Asset / Investment Management (i.e. CIO or equivalent in an asset management firm)	x		x	x	x			x	x	6	
	Public Markets	x		x	x	x			x		5	
	Private Markets (e.g. Real Estate, Infrastructure, Private Equity, deal structuring)	x		x		x	x	x	x		7	
	Investment Risk	x		x	x	x	x	x	x		8	
Other Related Competencies	Risk Management		x	x	x	x	x	x		x	8	
	Corporate Responsibility/ESG	x	x	x		x		x	x		6	
	Client Engagement & Stakeholder Relations	x	x	x		x		x	x	x	7	
	Global Business Experience	x			x	x	x	x	x	x	7	
	Talent Management & Performance		x			x	x	x	x	x	7	
	Business Transformation	x	x		x	x		x	x	x	8	
	Information Technology		x			x					2	
	Corporate Governance	x	x	x		x	x	x	x	x	8	
Diversity	Age	51	72	68	59	70	71	65	68	60	67	-
	Years on Board	1	4	6	4	5	4	2	6	1	0.6	-
	Female		x	x			x	x				4
	Male	x			x	x			x	x	x	6
	¹ Other Diversity											

Board Experience & Competencies (continued)

	Mark Wiseman	Phyllis Clark	Helen Kearns	Ken Kroner	Jim Prieur	Sharon Shallows	Jackie Sheppard	Tom Woods	Roger Renaud	Bob Kelly	Total
2 Geography		x		x			x				3
Alberta		x		x			x				3
Canada (outside Alberta)	x		x		x	x	x	x	x	x	8
United States	x			x	x				x	x	5
Europe & U.K.	x				x				x	x	4
Asia	x				x						2

Core Director Attributes	Significant executive leadership experience, including proven experience developing vision and strategy, achieving operational effectiveness and fostering an ethical and performance-based culture.
	Highly capable demonstration of integrity, intellectual curiosity and interpersonal and judgement qualities necessary to engage effectively with management and board stakeholders.
	Exceptional standard of performance and achievement, collegial, good judgement and free of conflicts of interest.
	Politically and environmentally sensitive to AIMCo's governance structure and mandate, with demonstrated understanding of government and public policy

- Includes self-declared diversity such as visible minority, persons with disability, of an ethnic or cultural group, indigenous, LGBT+, etc.
- A director may select more than one description for geography. In addition to current place of residency, other declarations may reflect circumstances where one had/has a significant affiliation with a region, such as: 1) having been born, raised and educated, 2) having spent a significant amount of time in a particular region during his/her related career, etc.

**Compensation
Discussion &
Analysis**



A Message from Ken Kroner, Chair of Human Resources and Compensation Committee

The Human Resources and Compensation Committee (HRCC) has multiple responsibilities, one of which is to assist the AIMCo Board of Directors in overseeing and defining AIMCo's compensation philosophy. To ensure compensation is aligned with our clients' interests, we implement a competitive compensation structure that allows for the attraction, retention, development and succession of key talent who are critical to our clients' success.

Attracting world-class investment professionals to AIMCo allows for 80% of assets to be managed internally, at a cost significantly less than the performance fees paid to external managers. To accomplish this, AIMCo relies heavily on pay-for-performance programs that allow us to compete with our institutional investment peers and other relevant peer organizations across Canada.

The following important principles are relevant for AIMCo's 2020 compensation disclosure:

1. AIMCo takes a long-term view of performance; believing that short-term focus distracts from good investing. The four-year period covered here measures AIMCo's investment performance from January 1, 2017, to December 31, 2020. The disappointing performance results of 2020, which were greatly affected by the challenges related to risk management and the global pandemic, have had a meaningful impact on compensation with compensation down by more than 10% relative to 2019. Given our long-term performance horizon (four years), this downward trend could continue as the effects of 2020's performance will continue to be felt for several years.
2. All employees exercise a choice when they chose to bring their skills to AIMCo. Pay levels and program design must be competitive with our peers, with whom we compete for both talent and investment opportunities. The HRCC considers industry, organizational mandate, asset size and proportion of internally managed assets as criteria in assessing which market comparators we benchmark compensation against. These criteria help identify organizations similar to AIMCo in terms of sophistication and complexity, which therefore require talent with similar skills, capabilities and experiences.
3. AIMCo has exercised base salary restraint within its compensation programs since 2016 and a salary freeze remains in place for AIMCo's Executive team. The result is that AIMCo continues to pay below the median of its peer organizations, as demonstrated in the 'Comparison of Actual Total Compensation Among Institutional Investor Peer Groups' contained within this Compensation Discussion & Analysis.
4. The final consideration is that while internal management increases the cost of internal compensation, it benefits clients since internal compensation is materially lower than external management fees. AIMCo's high proportion of internally managed assets increases our internal compensation expense but ends up saving costs in aggregate.

These criteria result in a reference group that is heavily weighted to the following eight institutional investment peers across Canada: British Columbia Investment Management Corporation (BCI), Caisse de dépôt et placement du Québec (CDPQ), Canada Pension Plan Investment Board (CPPIB), Healthcare of Ontario Pension Plan (HOOPP), Investment Management Corporation of Ontario (IMCO), Ontario Municipal Employees Retirement System (OMERS), Ontario Teachers' Pension Plan (OTPP), and Public Sector Pension Investment Board (PSP). This compensation reference group manage assets between \$70 billion to \$497 billion (versus AIMCo's \$119 billion), with the majority of these assets internally managed (80% of AIMCo's assets are internally managed).

Good governance requires independent validation of pay practices and strategy. To assist with execution of its compensation-related responsibilities, the HRCC works with independent advisors. Hugessen Consulting advises the HRCC on market competitiveness and the appropriateness of AIMCo's compensation programs and metrics, and Willis Towers Watson advises on these areas and on other projects. Though all compensation-related decisions remain the responsibility of the HRCC and Board, the information and recommendations provided by these advisors are considered in the decision-making process.

The HRCC will continue its rigorous oversight of both the compensation program and performance assessment of its executive team. Although 2020 results were disappointing, historically AIMCo has delivered well financially for its Alberta clients. The HRCC, in consultation with our clients, will continue to focus on further aligning compensation with their interests. We welcome our accountability to those we serve.



Ken Kroner
*Chair of Human Resources and
Compensation Committee*

Compensation Principles

Alignment with Vision

AIMCo is driven to deliver high-quality investment management services with an eye on long-term performance. Our compensation program is aligned with this vision and focused on serving the needs of our clients.

Pay Based on Performance, with both Quantitative and Qualitative Measures

We assess results in the following categories: investment objectives, corporate objectives and individual performance. The largest part of executive compensation is variable and tied directly to achievements in each of these areas. A meaningful component of individual performance and corporate objectives is based on qualitative factors.

Sustained, Long-Term Performance

Management is measured upon and focused on long-term performance. The investment performance component of the compensation program is measured over rolling four-year and eight-year cycles.

Fairness Based on Market-Competitive Context

All employees are exercising a choice when they join AIMCo. We ask top-performing talent to choose AIMCo as their employer for the long term and retention of key talent is critical to organizational stability. The best people available for any job will have alternatives; the fairness of compensation against a relevant peer market is a key factor in a successful people strategy.

Incentivize Successful Active Investment Management

Performance-based compensation relating to investment returns is driven by value-add returns above relevant investment benchmarks, again over rolling four-year and eight-year cycles. The concept is to reward successful active management over multiple years, by exceeding returns otherwise achievable through passive investing.

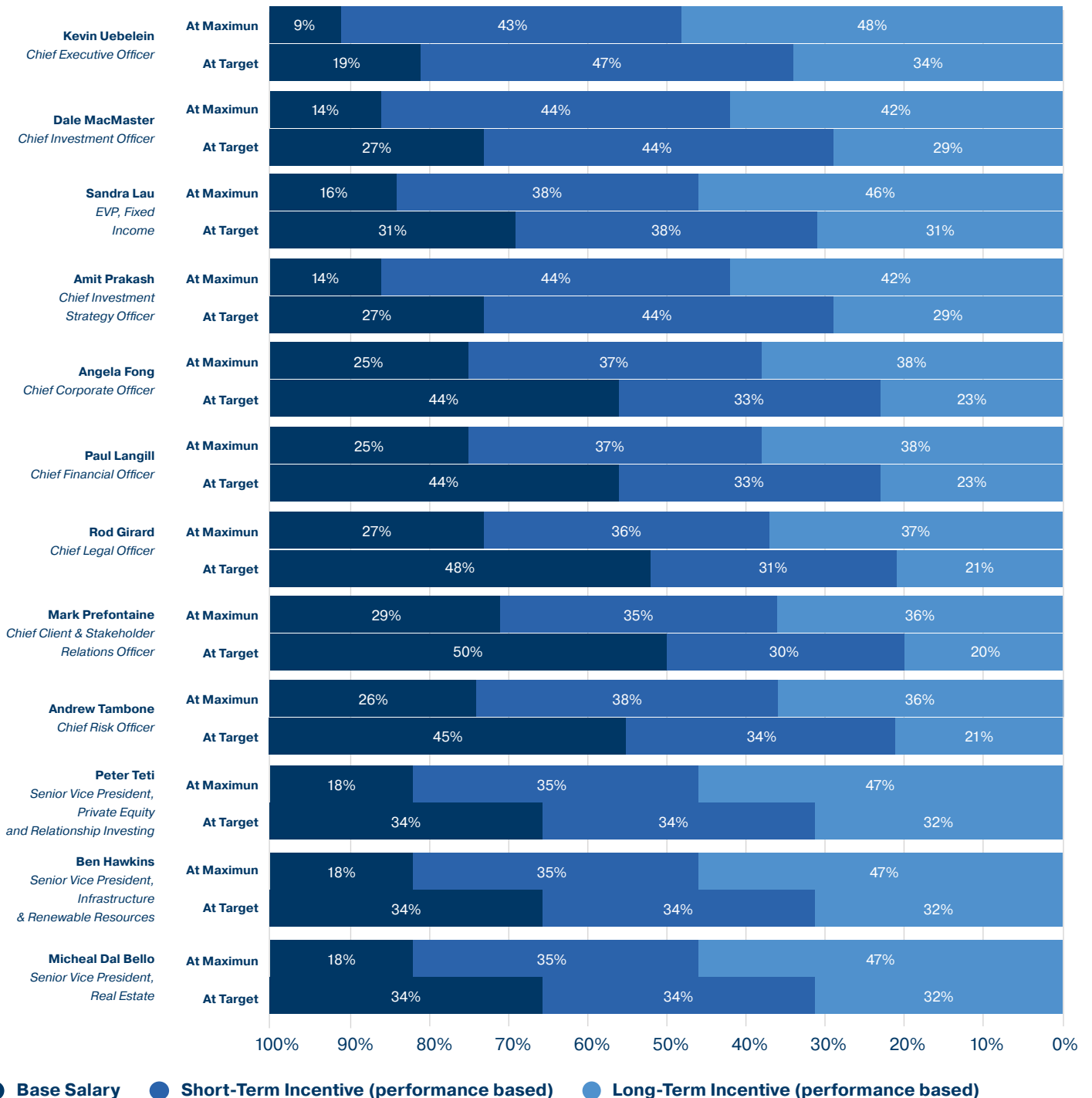
Compensation Risk Mitigants

The following outlines the risk-mitigating features of AIMCo's performance compensation plan. These features reinforce the principle of pay for performance, contribute to client alignment, offer controls that govern the performance compensation eligibility and allow the HRCC to adjust performance outcomes in special circumstances.

Significant Pay at Risk

All executives have a significant component of their compensation tied to quantifiable performance. For all current executive team members, their mix of compensation (demonstrated at target and at maximum) is as follows:

Executive Team Compensation



Assessment of the Long Term

The investment performance component of the compensation program is measured over a multi-year cycle of four years (and eight years, in the case of the Special Long-Term Incentive Program described below), thus ensuring alignment to clients' long-term investment horizon.

Adjustments to Performance Payments or Forfeiture

The Chief Executive Officer has authority to adjust a performance payment for an executive, predominately relating to individual performance. Similarly, the AIMCo Board of Directors, through the HRCC, has the authority to amend and/or terminate both the annual and long-term performance compensation plans, or forfeit awards provided to an individual in any given year. Measures are also in place to ensure forfeiture or recovery of previous payments in circumstances such as restatement of financial results.

Investment Risk

Value-add targets approved by the Board include consideration of AIMCo's Board-approved risk budget.

Maximum Performance Compensation

The performance multiplier, in all cases, is subject to a cap on the incentive multiplier which limits payments to a certain maximum for each role.

Components of Total Compensation

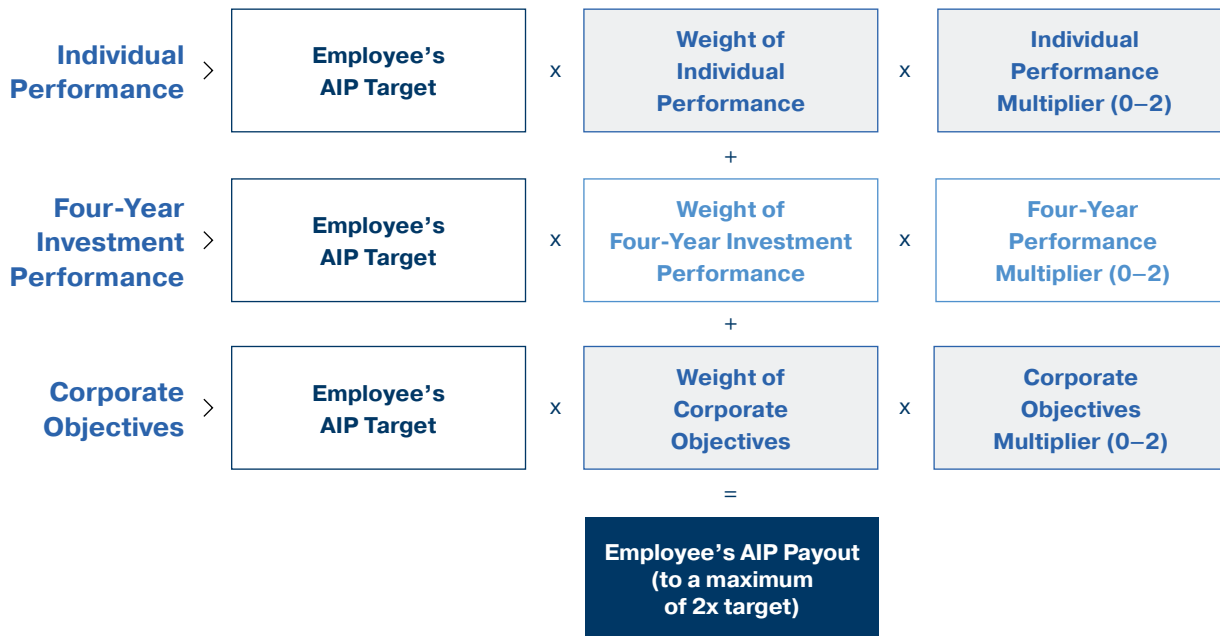
Component	Program Intent	Plan Fundamentals	Variability with Performance
Base Salary	Compensation for the execution of core duties	Annual budget based upon external survey market data	Fixed
Annual Incentive Plan (AIP)	Annual plan that rewards superior investment performance and individual contribution	Payouts are capped at 2x target, based upon value-add investment performance over a four-year period, weighted to Total Fund/Asset Class (where applicable), Individual Performance and Corporate Objectives (where applicable)	High variability
Long-Term Incentive Plan (LTIP) (where applicable)	Rewards superior and sustained investment performance, reinforcing long-term nature of investment strategy and providing retention for high performers over a four-year period	Payouts are capped at 3x target, based upon Total Fund returns and value-add investment performance over a four-year period, weighted to Total Fund and Asset Class (where applicable)	High variability
Special Long-Term Incentive Plan (SLTIP) (where applicable)	Rewards superior and sustained investment performance over an eight-year period	Consists of an additional conditional LTIP grant, made when unfloored investment performance over any LTIP period (four years) exceeds the cap of 3x. Once granted, the SLTIP has the same mechanics as the LTIP	High variability
Restricted Fund Units (RFU)	On a case-by-case basis, to bridge the “gap” period between commencement of employment and LTIP vesting or to selectively provide additional retention and/or long-term performance incentives, where deemed desirable to do so	Vary depending on circumstance	Low variability

Base Salary

The base salary takes into consideration variables such as experience, ability, performance achievements, and market competitiveness.

Annual Incentive Plan (AIP)

All permanent employees participate in the AIP. The AIP is comprised of two components: achievement against annual individual objectives and achievement of value-add investment performance over a four-year period. A third component added for the Executive team is achievement against corporate objectives. Target awards are set as a percentage of salary and each component of AIP comprises a percentage of this target to which a multiplier is applied. Note that the annual performance factor for investment performance has an applied floor of -2x in the calculation of the four-year average, and the overall AIP performance multiplier is capped at 2x the target value.



- **Individual Performance:** Personal objectives are set at the beginning of the calendar year and align with the corporate strategy and goals of the organization. Performance against these objectives is evaluated and quantified as a performance multiplier ranging from 0.0 to 2.0.
- **Four-Year Investment Performance:** The value-add performance of AIMCo's Total Fund (and each asset class where relevant) compared to AIMCo investment benchmarks and averaged over a four-year rolling cycle (with a performance floor in place) results in the investment performance multiplier. The applied investment performance multiplier can range from 0.0 to 2.0 for this component of the AIP.
- **Corporate Objective Performance:** The annual AIMCo Corporate Objectives are centred on our Key Success Drivers: Strategic Performance, Investment Performance, Client Satisfaction, Financial & Operational Performance and Doing Business the Right Way/People. The Board approves these objectives and at the end of the calendar year, determines the appropriate multiplier to apply based upon achievement of these objectives. The corporate objective multiplier can range from 0.0 to 2.0.

Long-Term Incentive Plan (LTIP)

The Long-Term Incentive Plan reinforces the long-term nature of our investment strategy. The plan rewards value-add performance over the next four years at the AIMCo Total Fund level and, in the case of investment professionals, at the asset class level (with a performance floor in place). Grants are issued to senior level employees.

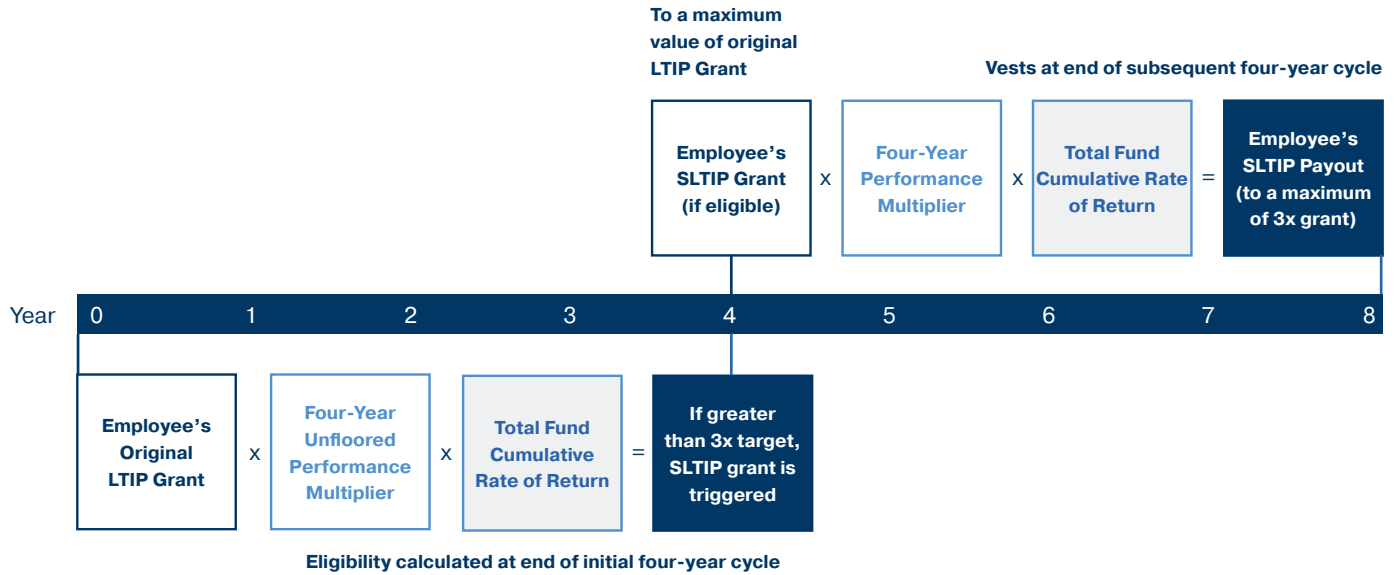


LTIP grants are set as a percentage of base salary and issued at the beginning of the calendar year. A multiplier, similar in nature to the investment performance multiplier for the AIP, is applied at the end of the four-year vesting period. The award value is also increased or decreased based upon the cumulative rate of return of AIMCo's Total Fund over the vesting period. Depending upon performance, the LTIP payout can range from zero to a maximum of 3x the original LTIP grant value for top-quartile, sustained long-term performance.

- **Four-Year Investment Performance:** The multiplier for AIMCo Total Fund is determined using the same methodology as the AIP Total Fund multiplier. For investment professionals managing a specific asset class, the multiplier is based on a 60% Total Fund and 40% Asset Class weighting. Similar to the AIP, the annual performance factors have an applied floor.
- **AIMCo Total Fund Four-Year Cumulative Rate of Return:** This amount will increase or decrease the potential LTIP payout.

Special Long-Term Incentive Plan (SLTIP)

At the end of an LTIP's four-year cycle, if the investment performance for the period has exceeded the corporation's stretch goals (3x target), a Special Long-Term Incentive Plan grant is triggered. This additional SLTIP grant can be an amount up to a maximum of the original LTIP grant upon which it is based. When determining the SLTIP grant amount, the applied floor (-2x in the annual calculation, if/where applicable) is removed from the calculation. Once granted, the SLTIP has the same mechanics as the LTIP described above. Special LTIP grants reward for superior and sustained investment performance over an eight-year period.



Current Executive Team Members — Performance Weightings for AIP and LTIP

	Type of Award	Individual Performance	AIMCo Total Fund	Performance Factors	
				Asset Class	Corporate Objectives
Kevin Uebelein Chief Executive Officer	AIP LTIP	40% -	50% 100%	0% 0%	10% -
Dale MacMaster Chief Investment Officer	AIP LTIP	30% -	60% 100%	0% 0%	10% -
Sandra Lau Executive VP, Fixed Income	AIP LTIP	30% -	30% 60%	30% 40%	10% -
Amit Prakash Chief Investment Strategy Officer	AIP LTIP	30% -	60% 100%	0% 0%	10% -
Angela Fong Chief Corporate Officer	AIP LTIP	30% -	60% 100%	0% 0%	10% -
Paul Langill Chief Financial Officer	AIP LTIP	30% -	60% 100%	0% 0%	10% -
Rod Girard Chief Legal Officer	AIP LTIP	30% -	60% 100%	0% 0%	10% -
Mark Prefontaine Chief Client & Stakeholder Relations Officer	AIP LTIP	30% -	60% 100%	0% 0%	10% -
Andrew Tambone Chief Risk Officer	AIP LTIP	30% -	60% 100%	0% 0%	10% -
Peter Teti SVP, Private Equity	AIP LTIP	20% -	40% 60%	40% 40%	- -
Ben Hawkins SVP, Infrastructure & Renewable Resources	AIP LTIP	20% -	40% 60%	40% 40%	- -
Micheal Dal Bello SVP, Real Estate	AIP LTIP	20% -	40% 60%	40% 40%	- -

Restricted Fund Units (RFU)

RFUs are a notional grant, the value of which fluctuates with the overall return of the AIMCo Total Fund. RFUs are granted on a case-by-case basis and are most commonly issued to bridge the period between commencement of employment and LTIP vesting, often in cases where new hires forfeit pending compensation commitments from previous employers in order to accept employment with AIMCo.

Pension

Eligible employees within AIMCo who commenced employment prior to July 1, 2008, participate in either the Management Employees Pension Plan or the Public Service Pension Plan, with some employees also eligible to participate in a supplementary retirement plan. All eligible employees hired after July 1, 2008, are required to participate in a defined contribution pension plan sponsored by AIMCo, which may include eligibility for a defined contribution supplementary retirement plan for contributions over the income tax limits. All plans require contributions by both the employee and AIMCo.

Benefits and Other Compensation

A broad range of market competitive benefits are provided to eligible employees, including health and dental coverage, short-term and long-term disability insurance, travel insurance, group life insurance, critical illness insurance, a health spending account, an active living account, a learning and wellness benefit and subsidized public transit. In the case of executive team members, annual medical assessments are mandatory.

2020 Performance Results

The HRCC holds an integral role in its governing oversight of AIMCo's people strategy, with one of its more significant responsibilities being the oversight of compensation and executive performance. The Committee oversees a rigorous program to assess corporate and executive performance. The following summarizes the 2020 year-end performance results.

Corporate Objective Performance

Based upon the HRCC's review and recommendations, management achieved a performance rating of 100% out of a possible stretch performance rating of 200% for the performance period of January 1, 2020 to December 31, 2020.

Individual Executive Assessments

The performance and deliverables of each executive were thoroughly assessed by the CEO and reviewed in detail by the HRCC. In addition to overall performance, executive leadership competencies, qualitative goals and alignment to AIMCo Core Values are important considerations in determining the individual performance rating for each executive.

Four-Year Investment Performance

Incentive compensation payouts for service during calendar year 2020 reflect the AIMCo Total Fund performance over the four-year period beginning January 1, 2017 and ending December 31, 2020. The cumulative net value-add investment performance over this period for compensation purposes was -\$3.97 billion which resulted in a calculated Investment Performance Factor of 1.00 for 2017 to 2020.

AIMCo Total Fund Performance, Actual 2017 To 2020 and Cumulative Results

Calendar Year	Target Value-Add ⁽¹⁾ (\$ millions)	AIMCo Net Actual Value-Add ⁽²⁾ (\$ millions)	Annual Investment Performance Factor ⁽³⁾
Actual 2020	334.5	-5,488.8	-16.41
Actual 2019	296.0	-522.1	-1.76
Actual 2018	267.7	939.5	3.51
Actual 2017	258.3	1,099.5	4.26
Cumulative - 4 years (2017-2020)	1,156.5	-3,971.9	4-Year Avg: -2.60
			4-Year Avg (w/ floor): 1.00

1 Target Net Value-Add is above investment benchmark.

2 AIMCo Net Value-Add is after operating costs and external management fees.

3 Annual Investment Performance Factors are averaged over four-year cycle to calculate the AIP multiplier. Annual Performance Factors below the -2.00 floor is calculated at the floor.

Total Fund and Asset Class performance over the four-year period is as follows:

Performance Factor	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Four-Year Performance
Total Fund	●	●	●	●	●
Money Market & Fixed Income	●	●	●	●	●
Public Equities & Hedge Funds	●	●	●	●	●
Global Tactical Asset Allocation	●	●	●	●	●
Real Estate	●	●	●	●	●
Private Equities	●	●	●	●	●
Infrastructure & Renewable Resources	●	●	●	●	●
Private Debt & Loan	●	●	●	●	●
Private Mortgages	●	●	●	●	●

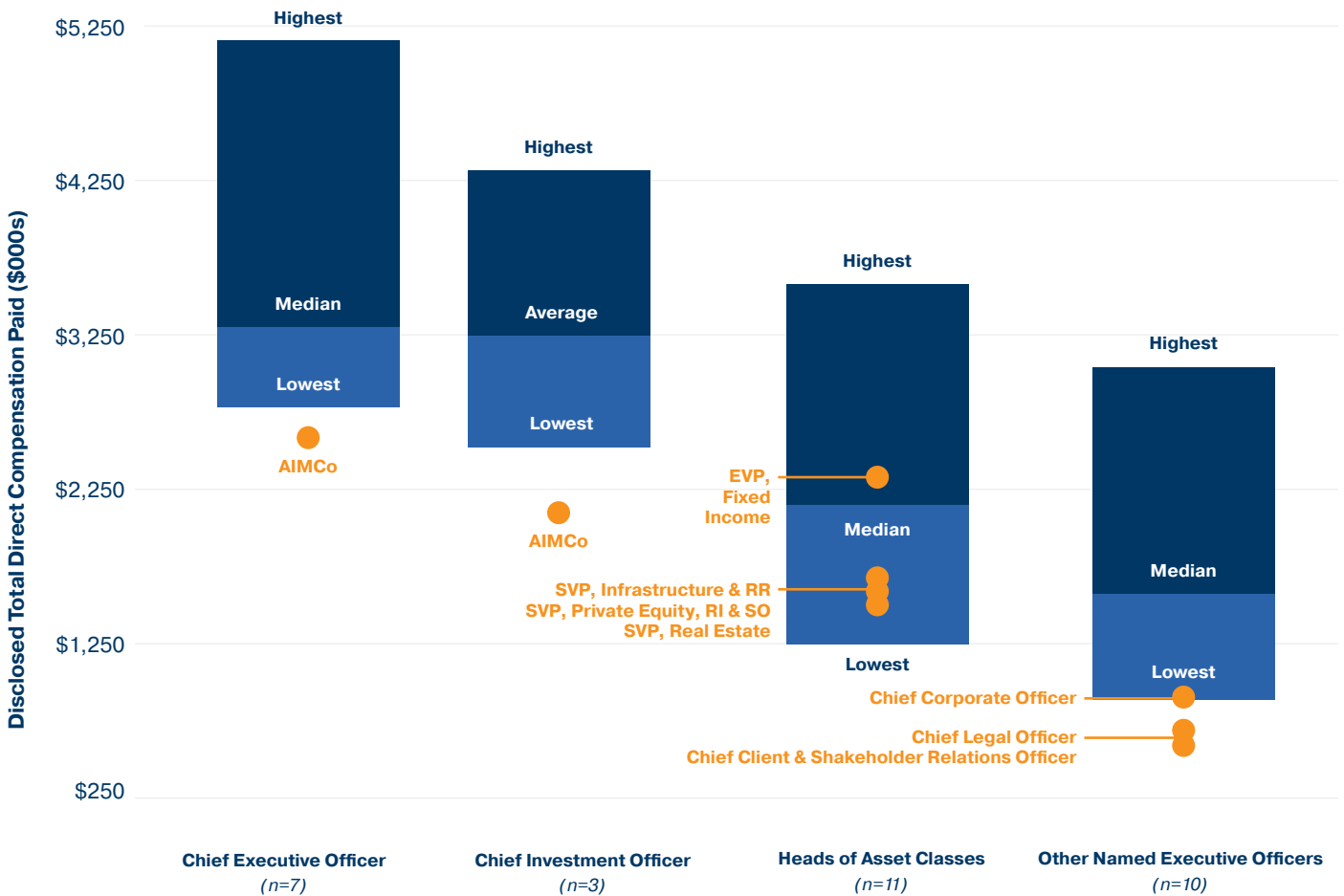
● Below Target (≤ 1)
 ● Exceed Target (1-3)
 ● Exceed Stretch Target (≥ 3)

Compensation Paid to Executives for the Year Ended December 31, 2020

Comparison of Actual Total Compensation Among Institutional Investor Peer Group

As indicated in the example table below, prepared by Willis Towers Watson, the AIMCo Executive team's actual total compensation (salary + AIP + S/LTIP paid) is at the lower end of the range of what our peers are paying. The graph reflects the most recent data disclosed by each organization as of May 7, 2021.

Comparison of Disclosed Total Direct Compensation Paid



Notes (prepared by Willis Towers Watson):

- Reflective of most recent disclosure, as at May 7, 2021, and best assumed role match for each disclosed role
- AIMCo's executive team members that started during the 2020/21 fiscal year are excluded as their compensation reflects partial years and they were not paid LTIP
- AIMCo's executive team members that departed during the 2020/21 fiscal year are excluded as their compensation reflects partial years
- HOOPP is not included in this analysis as HOOPP does not disclose named executive officer compensation
- Where LTIP paid is not disclosed, LTIP granted used to calculate actual total direct compensation

Summary Executive Compensation¹

The Summary Compensation table below shows the remuneration for all executive team members who served the organization between April 1, 2020 and March 31, 2021. As a long-term investor, total remuneration is shown for the past three years. The values for AIP and LTIP, the latter of which measures performance over a four-year period, are calculated on a calendar year basis and are shown in the fiscal year for which performance most closely aligns.

	Fiscal Year	Base Salary ⁽²⁾	Incentive Plan Compensation (\$)				RFU ⁽⁵⁾	Pension Contribution ⁽⁶⁾	All Other Compensation ⁽⁷⁾	Total Compensation (\$)
			AIP Annual Individual Objectives ⁽³⁾	AIP Corporate Objectives ⁽³⁾	4-Yr Investment					
					AIP Total Fund & Asset Class ⁽³⁾	AIP LTIP ⁽⁴⁾				
Kevin Uebelein	20/21	500,000	806,000	120,000	600,300	634,144	60,000	16,892	2,737,336	
<i>Chief Executive Officer</i>	19/20	500,000	420,000	108,500	603,610	1,128,523	60,000	14,727	2,835,360	
	18/19	500,000	560,000	101,500	700,000	1,500,000	68,000	13,851	3,443,351	
Dale MacMaster	20/21	425,000	334,560	68,000	408,204	881,051	55,026	16,137	2,187,978	
<i>Chief Investment Officer</i>	19/20	425,000	191,250	98,812	659,659	1,500,935	59,547	13,075	2,948,278	
	18/19	425,000	355,725	92,437	765,000	1,840,500	60,923	12,599	3,552,184	
Sandra Lau	20/21	300,000	216,000	36,000	324,054	1,464,424	39,026	16,066	2,395,570	
<i>Executive VP, Fixed Income</i>	19/20	300,000	223,000	51,150	368,735	1,004,496	43,547	14,292	2,005,220	
	18/19	300,000	198,000	47,850	396,000	924,000	44,922	13,407	1,924,179	
Amit Prakash ⁽⁸⁾	20/21	175,000	140,000	n/a	n/a	n/a	14,000	413,644	742,644	
<i>Chief Investment Strategy Officer</i>										
Angela Fong	20/21	285,310	303,390	21,398	128,454	180,928	30,243	28,595	978,318	
<i>Chief Corporate Officer</i>	19/20	285,310	150,961	28,745	191,898	660,536	30,243	13,044	1,360,737	
	18/19	285,310	111,271	26,890	222,542	428,100	30,243	11,037	1,115,393	
Paul Langill ⁽⁸⁾	20/21	119,584	n/a	n/a	n/a	n/a	9,567	10,627	139,778	
<i>Chief Financial Officer</i>										
Rod Girard	20/21	260,000	161,697	16,900	101,451	131,902	27,040	48,714	747,704	
<i>Chief Legal Officer</i>	19/20	260,000	102,048	24,180	161,423	335,171	27,040	22,382	932,244	
	18/19	260,000	76,752	22,620	187,200	162,300	27,040	21,066	756,978	
Mark Prefontaine	20/21	240,000	73,872	14,400	86,443	121,756	23,040	16,886	576,397	
<i>Chief Client & Stakeholder Relations Officer</i>	19/20	240,000	73,568	14,880	115,200	n/a	23,040	14,714	481,402	
	18/19	240,000	47,232	13,920	115,200	n/a	23,040	14,854	454,246	
Andrew Tambone ⁽⁸⁾	20/21	120,577	20,000	n/a	n/a	n/a	9,646	11,556	161,779	
<i>Chief Risk Officer</i>										
Peter Pontikes ⁽⁹⁾	20/21	68,269	n/a	n/a	n/a	n/a	8,890	334,657	411,816	
<i>Executive VP, Public Equities</i>	19/20	300,000	0	51,150	170,735	468,317	43,547	14,302	1,048,051	
	18/19	300,000	177,210	47,850	396,000	954,000	44,922	13,388	1,933,370	
Robin Heard ⁽⁹⁾	20/21	29,167	n/a	n/a	n/a	n/a	10,166	37,351	76,684	
<i>Chief Financial Officer</i>	19/20	317,500	367,844	30,351	102,555	n/a	32,810	13,731	864,791	
	18/19	285,000	215,839	26,861	222,300	n/a	28,820	12,986	791,806	
Remco van Eeuwijk ⁽⁹⁾	20/21	206,250	99,000	22,000	132,066	209,268	24,750	18,270	711,604	
<i>Chief Risk Officer</i>	19/20	275,000	61,875	31,969	213,419	341,378	30,250	12,745	966,637	
	18/19	275,000	97,144	29,906	247,500	n/a	173,962	11,969	865,731	
Peter Teti	20/21	295,555	125,809	n/a	354,725	782,352	34,284	29,511	1,622,236	
<i>SVP, Private Equity</i>	19/20	295,555	115,417	n/a	396,297	752,262	34,284	11,105	1,606,451	
	18/19	295,555	90,971	n/a	425,600	730,500	34,076	12,011	1,588,713	
Ben Hawkins	20/21	284,138	105,699	n/a	341,022	871,140	36,996	11,105	1,650,100	
<i>SVP Infrastructure & Renewable Resources</i>	19/20	284,138	112,129	n/a	380,988	600,363	41,516	10,724	1,429,858	
	18/19	284,138	91,549	n/a	409,158	600,300	42,892	9,935	1,437,972	
Micheal Dal Bello	20/21	291,634	95,656	n/a	350,019	771,975	37,955	13,246	1,560,485	
<i>SVP, Real Estate</i>	19/20	291,634	118,130	n/a	391,040	1,431,837	42,476	11,270	2,286,387	
	18/19	291,634	89,764	n/a	419,954	1,431,900	43,852	10,632	2,287,736	

- 1 All amounts shown in the Summary Compensation table reflect compensation earned by the named executive in, or in respect of, the current fiscal year. Incentive compensation is paid in cash in the year following the year it is earned. Performance compensation paid in early 2021 reflects performance period ending December 31, 2020.
- 2 Base Salary consists of all regular pensionable base pay earned.
- 3 Annual Incentive Plan's Individual Objectives, Corporate Objectives and Investment Component target awards are set as a percentage of salary to which a multiplier is applied.
- 4 The amounts shown here reflect LTIP grants and/or SLTIP grants awarded at the beginning of 2017 and paid out after the 2020 calendar year, the value of which is determined based upon the four-year investment performance (2017 – 2020 for the 2020/2021 payment).
- 5 Restricted Fund Units (RFUs) are a grant, that fluctuates in value according to the AIMCo Total Fund performance. RFUs have time horizons of one to three years for vesting provisions.
- 6 AIMCo and the participating employee make contributions to the defined benefit or defined contribution pension plans and related supplementary pension plans. This column reflects the value of the employer contributions.
- 7 All other compensation consists of severance, lump sum payments, AIMCo's share of all employee benefit premiums, contributions or payments made on behalf of employees, and statutory contributions.
- 8 Three named executives (Amit Prakash, Paul Langill, and Andrew Tambone) started with AIMCo during the 2020/2021 fiscal year.
- 9 Three previously named executives (Peter Pontikes, Robin Heard, Remco van Eeuwijk) departed AIMCo during the 2020/2021 fiscal year.

Estimated Future Payouts of Long-Term Incentive Awards for Current Executive Team Members

LTIP awards are granted at the start of a calendar year and vest at the end of a four-year cycle. The table below shows for each current named executive officer the LTIP and SLTIP granted but not yet vested, the maximum potential payout, along with the currently estimated future payout.

	Year	Type	Target Value ⁽¹⁾	Max Value ⁽²⁾	Estimated Future Payouts at the End of Years ⁽³⁾ :				Total
					2021	2022	2023	2024	
Kevin Uebelein	2021	LTIP	875,000	2,625,000				875,000	875,000
<i>Chief Executive Officer</i>	2020	LTIP	875,000	2,625,000			224,284		381,155
		RFU	150,000	n/a		156,871			
	2019	LTIP	875,000	2,625,000		0			0
	2018	LTIP	500,000	1,500,000	108,080				108,080
Dale MacMaster	2021	LTIP	446,250	1,338,750				446,250	446,250
<i>Chief Investment Officer</i>	2020	LTIP	446,250	1,338,750			114,385		114,385
	2019	LTIP	425,000	1,275,000		0			0
		SLTIP	375,000	1,125,000		0			
	2018	LTIP	425,000	1,275,000	91,868				91,868
		SLTIP	342,438	1,027,314	0				
Sandra Lau	2021	LTIP	300,000	900,000				300,000	300,000
<i>Executive VP, Fixed Income</i>	2020	LTIP	300,000	900,000			279,279		502,544
		SLTIP	239,832	719,496			223,265		
	2019	LTIP	300,000	900,000		250,463			490,186
		SLTIP	218,000	654,000		239,723			
	2018	LTIP	300,000	900,000	487,780				850,114
		SLTIP	210,700	632,100	362,334				
Amit Prakash	2021	LTIP	367,500	1,102,500				367,500	367,500
<i>Chief Investment Strategy Officer</i>									
Angela Fong	2021	LTIP	142,655	427,965				142,655	321,155
<i>Chief Corporate Officer</i>		RFU	175,000	n/a	178,500				
	2020	LTIP	142,655	427,965			36,566		36,566
	2019	LTIP	142,655	427,965		0			0
		SLTIP	142,700	428,100		0			
	2018	LTIP	142,655	427,965	30,836				41,518
		SLTIP	49,417	148,251	10,682				
Paul Langill	2021	LTIP	162,500	487,500				162,500	162,500
<i>Chief Financial Officer</i>									
Rod Girard	2021	LTIP	117,000	351,000				117,000	117,000
<i>Chief Legal Officer</i>	2020	LTIP	117,000	351,000			29,990		29,990
	2019	LTIP	104,000	312,000		0			0
		SLTIP	54,100	162,300		0			
	2018	LTIP	104,000	312,000	22,481				27,546
		SLTIP	23,431	70,293	5,065				

Estimated Future Payouts of Long-Term Incentive Awards for Current Executive Team Members (continued)

	Year	Type	Target Value ⁽¹⁾	Max Value ⁽²⁾	Estimated Future Payouts at the End of Years ⁽³⁾ :				Total
					2021	2022	2023	2024	
Mark Prefontaine	2021	LTIP	96,000	288,000				96,000	96,000
<i>Chief Client & Stakeholder Relations Officer</i>	2020	LTIP	96,000	288,000			24,607		24,607
	2019	LTIP	96,000	288,000		0			0
	2018	LTIP	96,000	288,000	20,751				20,751
Andrew Tambone	2021	LTIP	140,000	420,000				140,000	140,000
<i>Chief Risk Officer</i>									
Peter Teti	2021	LTIP	265,999	797,997				265,999	265,999
<i>Senior VP, Private Equity</i>	2020	LTIP	265,999	797,997			116,826		226,951
		SLTIP	250,754	752,262			110,125		
	2019	LTIP	265,999	797,997		0			0
		SLTIP	243,500	730,500		0			
	2018	LTIP	265,999	797,997	797,997				863,043
		SLTIP	21,682	65,046	65,046				
Ben Hawkins	2021	LTIP	255,724	767,172				255,724	255,724
<i>Senior VP, Infrastructure & Renewable Resources</i>	2020	LTIP	255,724	767,172			65,548		116,844
		SLTIP	200,121	600,363			51,296		
	2019	LTIP	255,724	767,172		158,188			281,967
		SLTIP	200,100	600,300		123,779			
	2018	LTIP	255,724	767,172	767,172				1,102,872
		SLTIP	111,900	335,700	335,700				
Micheal Dal Bello	2021	LTIP	262,471	787,413				262,471	262,471
<i>Senior VP, Real Estate</i>	2020	LTIP	262,471	787,413			67,278		131,933
		SLTIP	252,279	756,837			64,655		
	2019	LTIP	262,471	787,413		0			0
		SLTIP	252,300	756,900		0			
	2018	LTIP	262,471	787,413	544,411				1,054,658
		SLTIP	246,000	738,000	510,247				

1 Represents the target value at the time of the grant. For LTIP and SLTIP, no award is payable if performance is below a certain level.

2 Represents the maximum value payable at the end of the four-year vesting period.

3 Estimated based on actual performance multipliers for calendar 2018, 2019 and 2020, and pro forma multiples for one future year; and Actual AIMCo Total Fund rates of return for calendar 2018, 2019 and 2020, and no assumed growth in future years

Pension Plans

Executive team members participate in either the defined benefit or the defined contribution pension plans. All plans require contributions by both the employee and AIMCo. The table that follows shows the contributions for the executive team members under their respective plans.

	Pension Type	Fiscal Year	Registered		Supplementary	
			AIMCo Contributions	Employee Contributions	AIMCo Contributions	Employee Contributions
Kevin Uebelein <i>Chief Executive Officer</i>	DC	20/21	18,553	9,277	41,447	20,723
		19/20	17,487	8,743	42,513	21,257
		18/19	17,487	8,743	50,513	25,257
Dale MacMaster <i>Chief Investment Officer</i>	DB	20/21	20,662	20,036	34,365	34,365
		19/20	24,617	19,470	34,930	34,940
		18/19	25,497	18,974	35,426	35,426
Sandra Lau <i>Executive VP, Fixed Income</i>	DB	20/21	20,662	20,036	18,365	18,365
		19/20	24,617	19,470	18,930	18,930
		18/19	25,497	18,974	19,426	19,426
Amit Prakash <i>Chief Investment Strategy Officer</i>	DC	20/21	14,000	7,000	0	0
Angela Fong <i>Chief Corporate Officer</i>	DC	20/21	18,553	9,277	11,690	5,845
		19/20	17,487	8,743	12,756	6,378
		18/19	17,487	8,743	12,756	6,378
Paul Langill <i>Chief Financial Officer</i>	DC	20/21	9,567	4,783	0	0
Rod Girard <i>Chief Legal Officer</i>	DC	20/21	18,553	9,277	8,487	4,243
		19/20	17,487	8,743	9,553	4,777
		18/19	17,487	8,743	9,553	4,777
Mark Prefontaine <i>Chief Client & Stakeholder Relations Officer</i>	DC	20/21	18,553	9,277	4,487	2,243
		19/20	17,487	8,743	5,553	2,777
		18/19	17,487	8,743	5,553	2,777
Andrew Tambone <i>Chief Risk Officer</i>	DC	20/21	9,646	4,823	0	0
Peter Teti <i>Senior VP, Private Equity</i>	DC	20/21	18,553	9,277	15,731	7,865
		19/20	17,487	8,743	16,798	8,399
		18/19	17,487	8,743	16,589	8,295
Ben Hawkins <i>Senior VP, Infrastructure & Renewable Resources</i>	DB	20/21	20,662	20,036	16,334	16,334
		19/20	24,617	19,470	16,899	16,899
		18/19	25,497	18,974	17,395	17,395
Micheal Dal Bello <i>Senior VP, Real Estate</i>	DB	20/21	20,662	20,036	17,294	17,294
		19/20	24,617	19,470	17,859	17,859
		18/19	25,497	18,974	18,355	18,355

Board Attendance

During fiscal 2020/2021, the Board and each of its respective committees held five regular meetings. As a result of the COVID-19 pandemic, all of these meetings were held virtually via Microsoft Teams. At each meeting, the Board also held a separate in-camera session with the CEO.

Additionally, the following special meetings¹ were held via teleconference: ten by the Board, three by the Investment Committee, three by the Audit Committee, four by the Human Resources and Compensation Committee and one by the Governance Committee.

The following table shows each director's attendance relative to the number of meetings held by the Board and Committees of which he or she was a member. Directors are not provided with remuneration for attendance at committee meetings for which they are not a member.

Director Attendance April 1, 2020 to March 31, 2021	Board of Directors In-Camera Sessions	Board of Directors Meetings	Board of Directors Special Meetings	Audit Committee Meetings	Audit Committee Special Meetings	Governance Committee Meetings	Governance Committee Special Meetings	Human Resources Committee Meetings	Human Resources Committee Special Meetings	Investment Committee Meetings	Investment Committee Special Meetings
Bird, Richard²	2/2	2/2	6/6	-	-	1/1	-	2/2	3/3	2/2	1/1
Clark, Phyllis	5/5	5/5	10/10	5/5	3/3	-	-	-	-	5/5	3/3
Kearns, Helen	5/5	5/5	10/10	5/5	3/3	-	-	-	-	5/5	3/3
Kelly, Bob³	2/2	2/2	2/2	1/1	-	3/3	-	1/1	-	3/3	1/1
Kroner, Ken	5/5	5/5	10/10	-	-	5/5	1/1	5/5	4/4	5/5	3/3
Prieur, Jim	3/5	4/5	8/10	-	-	4/5	1/1	3/5	4/4	3/5	3/3
Renaud, Roger	5/5	5/5	10/10	5/5	3/3	-	-	-	-	5/5	3/3
Sallows, Sharon	5/5	5/5	10/10	-	-	5/5	1/1	5/5	4/4	5/5	3/3
Sheppard, Jackie	5/5	5/5	8/10	5/5	3/3	-	-	-	-	5/5	3/3
Vivian, Jay⁴	4/4	4/4	10/10	-	-	4/4⁴	-	4/4	3/3	4/4	3/3
Wiseman, Mark⁵	3/3	3/3	4/4	2/2	1/1	3/3	1/1	3/3	2/2	3/3	2/2
Woods, Tom	5/5	4/5	9/10	5/5	3/3	5/5	1/1	-	-	4/5	3/3

¹ Special Meetings include both virtual and in-person meetings that are held outside of, or in addition to, regularly scheduled board and committee meetings.

² Richard Bird resigned from the Board effective June 30, 2020

³ Bob Kelly was appointed to the Board effective September 30, 2020. He attended the September 2020 meetings of the Investment Committee, Governance Committee and Board as an observer.

⁴ Jay Vivian resigned from the Board effective December 29, 2020. Though not a committee member, he regularly attended Governance Committee meetings as a guest. He did not receive remuneration for his attendance.

⁵ Mark Wiseman was appointed to the Board effective July 1, 2020.

Board Remuneration (April 1, 2020 to March 31, 2021)

Directors' compensation is prescribed by provincial regulation. Board members receive annual retainers and meeting fees as described in the table below. The Board Chair, Vice Chair and committee Chairs receive additional retainers to recognize the incremental responsibility associated with those positions.

	Board of Directors	Audit Committee	HR Committee	Governance Committee	Investment Committee
Base Retainer (Annual)	\$ 20,000.00	\$ -	\$ -	\$ -	\$ -
Chair Retainer (Annual)	\$ 50,000.00	\$ 10,000.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
Vice Chair Retainer (Annual)	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -
Meeting Fees	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00

	Base Retainer (Annual)	Chair Retainer (Annual)	Vice Chair Retainer (Annual)	Meeting Fees (\$1,000 per meeting)	Travel Remuneration	Totals
Bird, Richard ¹	\$ 5,000.00	\$ 12,500.00	\$ -	\$ 19,000.00	\$ \$0.00	\$ 36,500.00
Clark, Phyllis	\$ 20,000.00	\$ \$0.00	\$ -	\$ 36,000.00	\$ \$0.00	\$ 56,000.00
Kearns, Helen	\$ 20,000.00	\$ \$0.00	\$ -	\$ 36,000.00	\$ \$0.00	\$ 56,000.00
Kelly, Bob ²	\$ \$0.00	\$ \$0.00	\$ -	\$ \$0.00	\$ \$0.00	\$ -
Kroner, Kenneth	\$ 20,000.00	\$ 7,500.00	\$ -	\$ 43,000.00	\$ \$0.00	\$ 70,500.00
Prieur, Jim	\$ 20,000.00	\$ 7,500.00	\$ -	\$ 33,000.00	\$ \$0.00	\$ 60,500.00
Renaud, Roger	\$ 20,000.00	\$ \$0.00	\$ -	\$ 36,000.00	\$ \$0.00	\$ 56,000.00
Sallows, Sharon	\$ 20,000.00	\$ 7,500.00	\$ -	\$ 43,000.00	\$ \$0.00	\$ 70,500.00
Sheppard, Jackie ³	\$ 20,000.00	\$ 1,187.50	\$ -	\$ 34,000.00	\$ \$0.00	\$ 55,187.50
Vivian, Jay ⁴	\$ 15,000.00	\$ \$0.00	\$ -	\$ 32,000.00	\$ \$0.00	\$ 47,000.00
Wiseman, Mark ⁵	\$ 15,000.00	\$ 37,500.00	\$ -	\$ 27,000.00	\$ \$0.00	\$ 79,500.00
Woods, Tom	\$ 20,000.00	\$ 10,000.00	\$ -	\$ 39,000.00	\$ \$0.00	\$ 69,000.00
Totals	\$ 195,000.00	\$ 83,687.50	\$ -	\$ 378,000.00	\$ \$0.00	\$ 656,687.50

1 Richard Bird resigned from the AIMCo Board effective June 30, 2020.

2 Robert (Bob) Kelly was appointed to the AIMCo Board effective September 30, 2020. He has asked not to receive remuneration for his service as a director.

3 Jacqueline Sheppard was appointed Chair of the Governance Committee effective February 3, 2021. Her Chair retainer for the quarter was calculated on a pro-rata, per diem basis as follows: (\$1,875/90) x 57 days = \$1,187.50.

4 Jay Vivian resigned from the AIMCo Board effective December 29, 2020.

5 Mark Wiseman was appointed to the AIMCo Board and as Chair of the Board effective July 1, 2020. Mr. Wiseman donates the entirety of his retainer and meeting fees directly to the United Way of Alberta.



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Costs Overview

Asset Management Costs Overview

Key factors that affect costs are asset mix and size, AIMCo's operating costs and investment performance. As assets under management continues to grow, the absolute costs of investment management increase. In addition, as client-driven asset mix weightings shift towards more illiquid assets, the absolute costs of investment management increase as these assets are generally more expensive to manage than publicly traded stocks or bonds.

Growth in assets under management requires the continued development of internal investment expertise required to operate an investment organization focused on generating incremental risk-adjusted returns in a cost-effective manner with a greater degree of control and transparency for clients. To develop and execute high-quality investment strategies that are sustainable in delivering strong returns over the long-term, AIMCo is committed to attracting and retaining highly skilled professionals. The increasing complexity of AIMCo's investment environment requires ongoing improvements in technology and business infrastructure to enhance greater efficiency in operations and delivering investment products to clients. These improvements have also led to a more seamless transition to a work from home environment in response to the COVID-19 pandemic.

While absolute expenses to build internal capabilities continue to increase over time, our focus remains on costs in basis points (bps). For the year ended March 31, 2021, AIMCo's operating costs of 12.5 bps were comparable to the budget and prior year of 12.4 bps and 12.2 bps, respectively.

AIMCo engages external third-party managers to complement internal programs and access investment opportunities within a wider range of asset classes. Over the last several years, AIMCo has increased global diversification of the portfolio and expanded asset allocation into illiquid markets to maximize clients' sustainable results on a risk-adjusted basis, consistent with their individual risk appetites. In doing so, AIMCo accepts the associated costs which are predominantly driven by asset mix and investment performance results. Approximately 20% of AIMCo's assets are externally managed.

Investment performance impacts both third-party and AIMCo performance costs. Third-party performance costs are affected by either absolute performance from a manager or performance over a target or hurdle rate. The performance fee arrangements with third-party managers are predefined in the contracts to ensure all interests are well-aligned and exceptional value derives from these partnerships. AIMCo performance costs are affected by value-added over four years, which is long-term performance over our stated benchmarks.

AIMCo is committed to cost effectiveness while incurring costs to generate investment value for every asset class in which we invest.

The table below outlines AIMCo's key cost categories required to manage the portfolio of \$129.9 billion as at March 31, 2021.

AIMCo's Cost Structure

Paid on commitments and asset invested			Paid when returns realized	
AIMCo operating costs	Third-party costs			AIMCo performance costs
	Management fees	Pursuit costs & other fees	Performance costs	
Costs consist of:				
Personnel, global offices, technology, systems and other operating costs incurred through AIMCo's corporate general ledger to support the management of client investments	Fees charged by third-party fund managers to manage AIMCo client investments driven by AIMCo's decision to contract the external fund manager	Investment deal-making costs incurred on asset acquisition for successful pursuits, costs for unsuccessful pursuits and custody fees	Performance costs tied to investment returns reflect alignment of interests between AIMCo clients, AIMCo's employees and third-party managers	
Costs incurred for:				
Employing skilled professionals to access, manage and support client investments, deploying systems and technologies to enable our active in-house investment approach and other operational costs to deliver service	External managers to help diversify the funds through different strategies and regions	Pursuing complex, large investment opportunities in public and private markets requires AIMCo to incur due diligence costs such as complying with international regulatory and tax regimes	A form of profit sharing with third-party managers when returns exceed a predefined percentage hurdle	Performance based compensation to AIMCo employees for generating superior long-term net incremental return from active management

Fiscal 2021 Cost Analysis

The following AIMCo expense summary should be read in conjunction with the audited financial statements and accompanying notes for the year ended March 31, 2021. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards (PSAS).

Certain financial measures in the table below are not based on PSAS. These measures do not have any standardized meaning and may not be comparable with similar measures used by other institutional investors or pension plans. They should not be viewed as an alternative to measures of the financial performance determined in accordance with PSAS.

For the years ended	Actual 31-Mar-21	Budget 31-Mar-21	Actual 31-Mar-20
<i>(\$, millions of Canadian dollars)</i>			
Third-party management fees	\$ 229.9	\$ 246.9	\$ 214.4
Third-party pursuit costs	11.9	19.4	17.0
Third-party other fees	5.1	5.6	5.6
Third-party costs	246.9	271.9	237.0
AIMCo operating costs	148.6	151.0	142.8
Total costs before performance	395.5	422.9	379.8
Third-party performance costs	313.1	63.8	177.8
AIMCo performance costs	40.0	43.0	26.4
Performance costs	353.1	106.8	204.2
Total costs	\$ 748.6	\$ 529.7	\$ 584.0
Capitalized expenditures	\$ 11.0	\$ 14.0	\$ 18.3
Headcount	525	519	481
Assets under management (AUM)			
Ending AUM	\$ 129,862	\$ 124,786	\$ 109,964
Average AUM	\$ 118,712	\$ 121,900	\$ 116,801
Total costs, bps	63.1	43.5	50.0
Total costs before performance, bps	33.3	34.7	32.5
AIMCo operating costs, bps	12.5	12.4	12.2
Calendar year net return (%)⁽¹⁾	2.5%	n/a	10.6%
Calendar year value-add (loss)⁽¹⁾	\$ (5,489)	\$ 334	\$ (522)

1. Net returns and value add (loss) exclude the AUM of Alberta Teachers' Retirement Fund and Workers' Compensation Board of Alberta that have partially transitioned as at March 31, 2021.

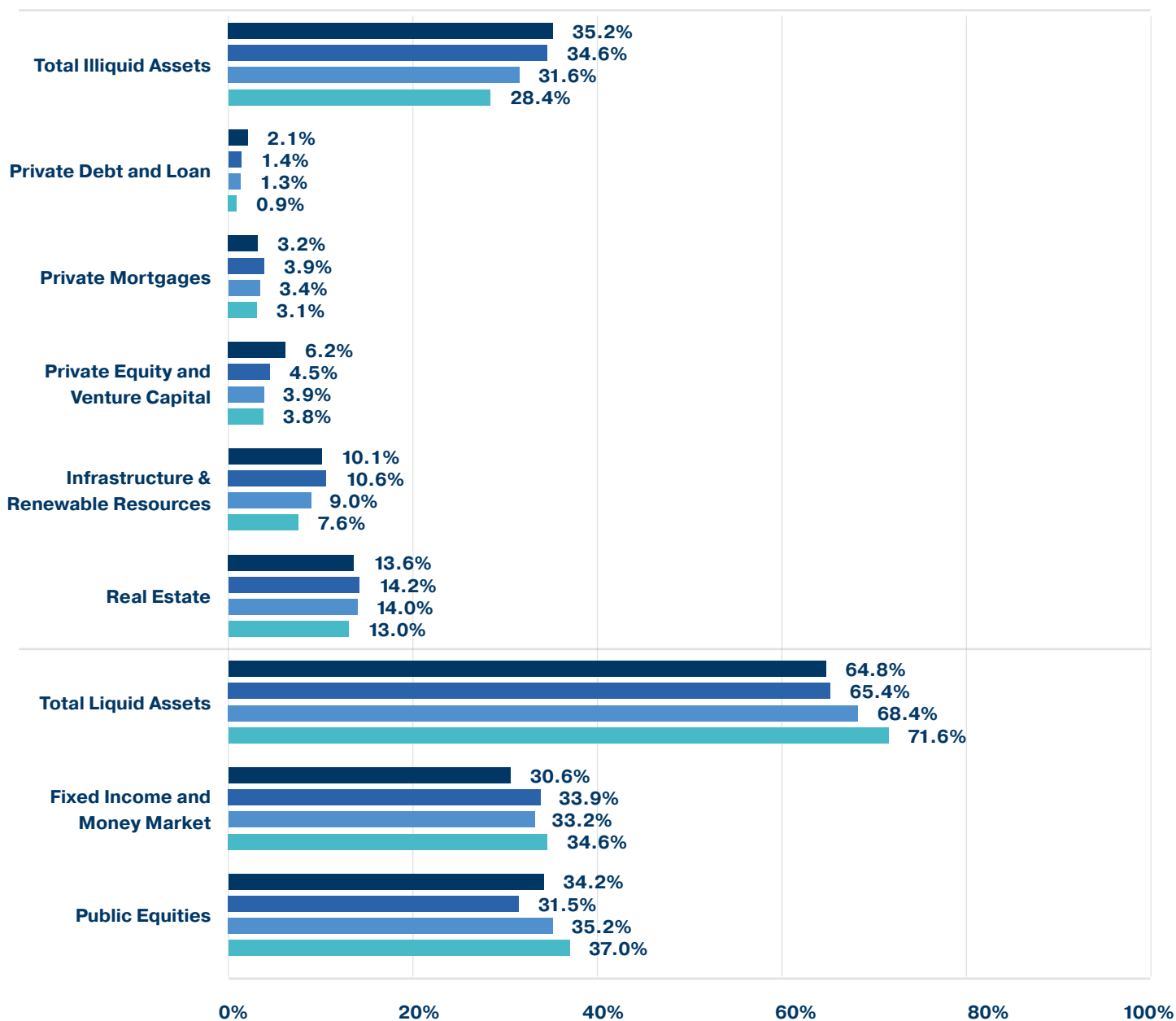
Total Costs

AIMCo total expenses were \$749 million or 63.1 cents for every \$100 dollars of average AUM in fiscal 2021, compared to the fiscal year 2020 total costs of \$584 million or 50.0 cents for every \$100 of average AUM. The total costs increase was due to significantly higher third-party performance cost driven by strong investment performance in the first calendar quarter of 2021. Approximately 63% of third-party performance costs were attributable to investment performance in the first calendar quarter of 2021.

The calendar 2021 net return and value-add results will be reported in next year's annual report. Continued client-driven shifts toward more illiquid assets in conjunction with higher headcount to support a growing and diversified portfolio further contributed to the year-over-year cost variance. The increase from budget was primarily driven by higher third-party performance costs as noted above.

AIMCo Asset Mix

● March 2021 ● March 2020 ● March 2019 ● March 2018



Third-Party Costs

The increase in third-party costs is generally consistent with growth in AUM and greater exposure to more expensive illiquid assets, largely driven by management fees. For fiscal 2021, third-party management fees totaled \$229.9 million compared to \$214.4 million in fiscal 2020. Third-party pursuit costs were lower than budget and prior year due to reduced investment activity impacted by the COVID-19 environment.

AIMCo Operating Costs

AIMCo costs of \$148.6 million were higher than the prior year, reflecting the additional direct investment management personnel to address increased client demand for illiquid investments and additional operational and corporate staff to support the growth in average AUM. However, for every \$100 of average AUM, AIMCo costs of \$12.5 cents were comparable to the budget and prior year of \$12.4 cents and \$12.2 cents, respectively. Higher data to support investment decision making added to the year-over-year variance. The marginal under budget in dollars was due to lower administration costs, driven by the COVID-19 pandemic that restricted travel and other administrative costs.

Performance Costs

Total performance costs of \$353.1 million for the 2021 fiscal year exceeded budget by \$246.3 million and was higher than prior year by \$148.9 million. The increase from budget and prior year was largely driven by strong performance on several third-party fund managers that outperformed during the first calendar quarter of 2021. AIMCo performance costs were lower in the prior year driven by the claw back of previously accrued performance compensation in March 2020 due to the significant value loss in the first calendar quarter of 2020.

Cost Effectiveness

AIMCo regularly participates in a global CEM cost benchmarking survey performed by an independent provider to evaluate our cost-effectiveness compared to participants of similar asset size. CEM Benchmarking normalizes cost metrics for all survey participants using their cost methodology. The calendar 2019 benchmarking survey — which is on a one-year lag — reported that AIMCo continued to maintain a CEM-based expense ratio (ratio of benchmarked costs to AUM) that was relatively low compared to the median of a custom peer group of similar asset size. The costs savings were driven by a lower cost implementation style, which defines how assets are allocated between internal, external, active, passive and fund of fund styles.

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***Financial
Statements***

Alberta Investment Management Corporation

Financial Statements

For the year ended March 31, 2021

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Management's Responsibility for Financial Reporting

The financial statements of Alberta Investment Management Corporation (the Corporation) have been prepared by management and approved by the Board of Directors. The financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards and within the framework of significant accounting policies summarized in the notes to the financial statements.

Management is responsible for the integrity and fairness of the financial statements. The financial statements include certain amounts which, by necessity, are based on the judgment and best estimates of management. In the opinion of management, the financial statements have been properly prepared and present fairly the financial position, results of operations, change in net debt and cash flows of the Corporation.

The Board of Directors is responsible for overseeing management in the performance of its financial reporting duties.

The Board of Directors is assisted in discharging this responsibility by the Audit Committee, which consists of directors who are neither officers nor employees of the Corporation. The Audit Committee meets regularly with management and external auditors to review the scope and findings of audits and to satisfy itself that its responsibility has been properly discharged. The Audit Committee has reviewed the financial statements and has recommended their approval by the Board of Directors.

The Corporation has developed and implemented systems of internal control and supporting procedures which have been designed to provide reasonable assurance that assets are protected; transactions are properly authorized, executed and recorded; and the financial statements are free from material misstatement. The internal control framework includes the employee Code of Conduct and Ethical Standards, internal compliance monitoring, the selection and training of qualified employees, and the communication of policies and guidelines throughout the Corporation.

The Office of the Auditor General of Alberta has examined the financial statements and prepared an Independent Auditor's Report, which is presented in the financial statements.

[Original signed by Kevin Uebelein]

Kevin Uebelein
Chief Executive Officer

[Original signed by Paul Langill]

Paul Langill
Chief Financial Officer

To the Shareholder of Alberta Investment Management Corporation

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Investment Management Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, change in net debt, and cash flows 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 Corporation as at March 31, 2021, and the results of its operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Corporation 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.

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 do 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 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.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, 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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 Corporation'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 an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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 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 Corporation'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 Corporation'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 Corporation 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.

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.

[Original signed by W. Doug Wylie FCPA, FCMA, ICD.D]
Auditor General

June 3, 2021
Edmonton, Alberta

Statement of Financial Position

As at March 31, (Thousands of Canadian dollars)

	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents (Note 5)	\$ 53,964	\$ 77,661
Accounts receivable	24,653	8,364
Other assets	<u>2,416</u>	<u>2,416</u>
	81,033	88,441
Liabilities		
Accounts payable and accrued liabilities	9,677	11,132
Accrued employment liabilities (Note 6)	74,671	85,220
Advance from the Province of Alberta (Note 7)	58,349	58,349
Pension liabilities (Note 8)	4,813	4,287
Deferred lease inducement (Note 15)	<u>1,752</u>	<u>1,911</u>
	149,262	160,899
Net debt	<u>(68,229)</u>	<u>(72,458)</u>
Non-financial assets		
Tangible capital assets (Note 9)	60,697	66,978
Prepaid expenses	<u>11,179</u>	<u>9,127</u>
	<u>71,876</u>	<u>76,105</u>
Net assets (Note 10)	<u>\$ 3,647</u>	<u>\$ 3,647</u>

Contractual obligations (Note 15)

The accompanying notes are part of these financial statements.

Approved by the Board:

[Original signed by Mark Wiseman]

[Original signed by Tom Woods]

Mark Wiseman
Board Chair

Tom Woods
Audit Committee Chair

Statement of Operations

For the year ended March 31, <i>(Thousands of Canadian dollars)</i>	<u>2021</u> Budget (Note 16)	<u>2021</u>	<u>2020</u>
Revenue			
Cost recoveries	\$ 529,675	\$ 748,375	\$ 582,840
Interest income	-	147	1,193
Total revenue	<u>529,675</u>	<u>748,522</u>	<u>584,033</u>
Expenses			
Third-party performance fees (Note 11)	63,807	313,059	177,797
Third-party investment management fees (Note 11)	246,860	229,935	214,408
Third-party other fees (Note 11)	24,973	16,926	22,606
Salaries, wages and benefits	114,696	115,449	93,833
Business technology and data services	33,320	32,732	31,656
Amortization of tangible capital assets (Note 9)	18,509	17,151	16,539
Contract and professional services	8,180	9,373	10,534
Rent	9,323	8,858	8,012
Administrative expenses	8,837	4,750	7,484
Interest	1,170	289	1,164
Total expenses	<u>529,675</u>	<u>748,522</u>	<u>584,033</u>
Annual surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are part of these financial statements.

Statement of Change in Net Debt

For the year ended March 31, (Thousands of Canadian dollars)

	<u>2021</u>	<u>2021</u>	<u>2020</u>
	Budget		
	(Note 16)		
Annual surplus	\$ -	\$ -	\$ -
Acquisition of tangible capital assets (Note 9)	(14,017)	(10,963)	(18,259)
Write-downs of tangible capital assets (Note 9)	-	93	129
Amortization of tangible capital assets (Note 9)	18,509	17,151	16,539
Change in prepaid expenses	-	(2,052)	134
Decrease (Increase) in net debt in the year	<u>4,492</u>	<u>4,229</u>	<u>(1,457)</u>
Net debt at beginning of year	(72,458)	(72,458)	(71,001)
Net debt at end of year	<u>\$ (67,966)</u>	<u>\$ (68,229)</u>	<u>\$ (72,458)</u>

The accompanying notes are part of these financial statements.

Statement of Cash Flows

For the year ended March 31, (Thousands of Canadian dollars)

	<u>2021</u>	<u>2020</u>
Operating transactions		
Annual surplus	\$ -	\$ -
Non-cash items:		
Amortization of tangible capital assets (Note 9)	17,151	16,539
Write-downs of tangible capital assets (Note 9)	93	129
Amortization of deferred lease inducement (Note 15)	(159)	(388)
Change in pension liabilities	<u>526</u>	<u>341</u>
	17,611	16,621
(Increase) Decrease in accounts receivable	(16,289)	9,065
(Increase) Decrease in prepaid expenses	(2,052)	134
(Decrease) Increase in accounts payable and accrued liabilities	(1,455)	1,607
Decrease in accrued employment liabilities	<u>(10,549)</u>	<u>(32,632)</u>
Cash applied to operating transactions	<u>(12,734)</u>	<u>(5,205)</u>
Capital transactions		
Acquisition of tangible capital assets (Note 9)	<u>(10,963)</u>	<u>(18,259)</u>
Cash applied to capital transactions	<u>(10,963)</u>	<u>(18,259)</u>
Financing transactions		
Repayment of advance from the Province of Alberta	<u>-</u>	<u>-</u>
Cash applied to financing transactions	<u>-</u>	<u>-</u>
Decrease in cash and cash equivalents	(23,697)	(23,464)
Cash and cash equivalents at beginning of year	<u>77,661</u>	<u>101,125</u>
Cash and cash equivalents at end of year	<u>\$ 53,964</u>	<u>\$ 77,661</u>
Supplementary information		
Cash used for interest	\$ 125	\$ 987

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2021 (Thousands of Canadian dollars, except where otherwise noted)

NOTE 1 AUTHORITY

Alberta Investment Management Corporation (the Corporation) is an agent of the Crown in right of Alberta and operates under the authority of the *Alberta Investment Management Corporation Act*, Chapter A-26.5. Under the Act, the Corporation is established as a Crown Corporation governed by a Board of Directors appointed by the Lieutenant Governor in Council. The issued share of the Corporation is owned by the Crown, and accordingly the Corporation is exempt from federal and provincial income taxes under the *Income Tax Act*.

NOTE 2 NATURE OF OPERATIONS

The purpose of the Corporation is to provide investment management services in accordance with the *Alberta Investment Management Corporations Act*, primarily to the Province of Alberta and certain public-sector pension plans. The Corporation forms part of Alberta's Ministry of Treasury Board and Finance for which the President of Treasury Board and Minister of Finance is responsible. The Corporation was formed January 1, 2008.

The Corporation has assets under administration of \$129.9 billion (2020: \$110.0 billion) at March 31, 2021, see Note 12. These assets are invested in segregated investments owned by clients or aggregated in one or more pooled investment portfolios managed by the Corporation. Some of these assets are managed by third-party investment managers selected and monitored by the Corporation in order to achieve greater diversification, as well as to access external expertise and specialized knowledge. The segregated assets and the assets within the pooled investment portfolios are not consolidated in the financial statements of the Corporation. The Corporation makes investments on behalf of its clients and may also establish companies in which the Corporation is the registered owner of the shares for the purpose of managing specific investments. As the Corporation has no share in the expected benefits or the risk of loss in the entities, they are not consolidated in the Corporation's financial statements.

The Corporation recovers all expenses on a cost recovery basis. The Corporation's Board of Directors may approve recoveries greater than costs to maintain or increase the Corporation's general reserve, although they have not done so in the past.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) and include the following significant accounting policies:

a) Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Third-party investment management fees, which are recorded as \$229,935 (2020: \$214,408), third-party performance fees, which are recorded as \$313,059 (2020: \$177,797), accrued employment liabilities, which are recorded as \$74,671 (2020: \$85,220) and pension liabilities, which are recorded as \$4,813 (2020: \$4,287) in these financial statements, are subject to measurement uncertainty. Third-party investment costs include estimates of management and performance fees that are based upon specified rates and commitment levels in the investment management agreements. Accrued employment liabilities include estimates of performance compensation that are tied to asset class and total fund value-add performance. The pension liabilities are based on key assumptions that could impact the reported liability. Refer to Note 8 for a description of the key assumptions and how a change in the assumptions can impact the reported pension liabilities.

Estimates and assumptions are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results may differ from these estimates.

b) Revenue Recognition

All revenues are reported on the accrual basis of accounting.

Cost recovery revenue is recognized on the recovery of direct costs related to management of government funds, pension plans, and other investments, and on the recovery of indirect costs representing each government fund, pension plan, and pooled fund's respective share of the Corporation's operating costs. The indirect charges are primarily allocated based on assets under management and head count.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

b) Revenue Recognition (continued)

Cost recovery revenue is accrued and billed on a monthly basis as the related costs are incurred and investment management services are provided.

Under the *Alberta Investment Management Corporations Act*, the Corporation may establish and maintain one or more Reserve Funds with the ability to recover charges in excess of direct and indirect costs. No Reserve Funds have been established to date.

c) Expenses

Expenses are reported on an accrual basis and the cost of all goods consumed and services received during the year is expensed.

Third-party investment costs include third-party investment management and performance-based fees, as well as other expenses incurred on behalf of the Corporation's clients, also disclosed in Note 11.

Interest expense is comprised primarily of debt servicing costs on the advance from the Province of Alberta.

d) Financial Assets

Financial assets are the Corporation's financial claims on external organizations and individuals.

Cash and Cash Equivalents

Cash and cash equivalents are recognized at cost, which is equivalent to their fair value, and include short-term and mid-term liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. The Corporation has access to these investments with no restrictions.

Accounts Receivable

Accounts receivable are unsecured, non-interest bearing and are recognized at the lower of cost or net recoverable value. Provision for doubtful accounts are made to reflect accounts receivable at the lower of cost and net recoverable value, when collectability and risk of loss exists. Changes in doubtful accounts are recognized in administrative expenses in the Statement of Operations (2021 and 2020: \$nil).

Other Assets

Other assets are valued at the lower of cost and net recoverable value.

e) Liabilities

Liabilities are recorded at cost to the extent that they represent present obligations as a result of past events and transactions occurring prior to the end of the fiscal year, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

Liabilities also include:

- all financial claims payable by the Corporation at year-end;
- accrued employee vacations entitlements and other benefits;
- deferred lease inducement; and
- contingent liabilities where future liabilities are likely.

Advance from the Province of Alberta and pension liabilities are recognized at amortized cost.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

f) Non-Financial Assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead:

- (a) are normally employed to deliver services;
- (b) may be consumed in the normal course of operations; and
- (c) are not for sale in the normal course of operations.

Non-financial assets are limited to tangible capital assets and prepaid expenses.

Tangible Capital Assets

Tangible capital assets are recognized at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Computer systems hardware and software development costs, including labour and materials, and costs for design, development, testing and implementation, are capitalized when the related business systems are expected to be of continuing benefit to the Corporation.

Work in progress, which includes development of operating systems, is not amortized until after a project is complete (or substantially complete) and the asset is put into service.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Computer systems hardware and software	5 to 10 years
Furniture and equipment	10 years
Leasehold improvements	Lesser of the useful life of the asset and the term of the lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs of \$93 (2020: \$129) are accounted for as expenses in the Statement of Operations.

Prepaid Expenses

Prepaid expenses are recorded at cost and recognized over the terms of the agreements.

g) Valuation of Financial Assets and Liabilities

All financial assets and liabilities are measured at cost or amortized cost. The Corporation does not own any financial instruments designated in the fair value category and as such a Statement of Remeasurement Gains and Losses has not been included in the financial statements.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are reported in the Statement of Operations.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

The Corporation does not own any derivative financial instruments.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

h) Employment Benefits

The Corporation participates in multi-employer defined benefit plans that meet the accounting requirements for treatment as defined contribution plans. The Corporation also participates in defined contribution pension plans. Employer contributions are expensed as incurred.

On January 1, 2010, the Corporation established a new Supplementary Retirement Plan (SRP) for those individuals required to withdraw from the existing SRP for Public Service Managers. This pension plan is accounted for using the projected-benefits method pro-rated on service to account for the cost of the defined benefit pension plan. Pension costs are based on management's best estimate of expected plan investment performance, discount rate, salary escalation, inflation and retirement age of employees. The discount rate used to determine the accrued benefit obligation is based on rates of return of assets currently held by the Plan. Plan assets are valued at fair value for the purpose of calculating the expected return on plan assets. Past service costs from plan amendments are amortized on a straight-line basis over the average remaining service life of employees active at the date of amendments. Net actuarial gains or losses and transitional obligations are amortized on a straight-line basis over the average remaining service life of active employees. Valuation allowances are calculated such that accrued benefit assets are limited to amounts that can be realized in the future by applying any plan surplus against future contributions.

The Corporation provides retention incentives to certain employees through a Long-Term Incentive Plan (LTIP) and a Restricted Fund Unit Plan (RFU). The potential end value of these grants, if and when vested, fluctuate over the vesting period based on achievement of certain performance factors and are expensed as salaries, wages and benefits over the vesting period of the awards. The liability for the grants are remeasured at each reporting period based on changes in the intrinsic values of the grants, such that the cumulative amount of the liability will equal the potential payout at that date. Any gains or losses on remeasurement are reported in the Statement of Operations. For any forfeiture of the grants, the accrued compensation cost will be adjusted by decreasing salaries, wages and benefits expense in the period of forfeiture.

i) Foreign Currency

Assets and liabilities denominated in foreign currency are translated at the year-end rate of exchange. Exchange differences on transactions are included in the determination of net operating results. Foreign currency transactions are translated into their Canadian dollar equivalents using the Bank of Canada exchange rate prevailing at the transaction dates.

NOTE 4 FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board issued the following accounting standards:

PS 3280 Asset Retirement Obligations (effective April 1, 2022)

This standard provides guidance on how to account for and report a liability for retirement of a tangible capital asset. Management is currently assessing the impact of this standard on the financial statements.

PS 3400 Revenue (effective April 1, 2023)

This standard provides guidance on how to account and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. Management is currently assessing the impact of this standard on the financial statements.

PSG-8 Purchased intangibles (effective April 1, 2023)

This new guideline explains the scope of the intangibles allowed to be recognized in financial statements given the removal of the recognition prohibition relating to purchased intangibles in Section PS 1000. Management is currently assessing the impact of this guideline on the financial statements.

NOTE 5 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

As at March 31, (Thousands of Canadian dollars)

	<u>2021</u>	<u>2020</u>
Deposit in Consolidated Cash Investment Trust Fund	\$ 53,819	\$ 77,073
US bank account	63	49
British Pound Sterling bank account	82	539
	<u>\$ 53,964</u>	<u>\$ 77,661</u>

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio is comprised of high quality short-term and mid-term fixed income securities with a maximum term-to-maturity of three years. As at March 31, 2021, securities held by the Fund have a time-weighted return of 0.42% per annum (2020: 1.52% per annum).

NOTE 6 ACCRUED EMPLOYMENT LIABILITIES

As at March 31, (Thousands of Canadian dollars)

	2021	2020
Annual incentive plan (a)	\$ 32,725	\$ 35,093
Long-term incentive plan (b)	34,844	46,832
Restricted fund unit incentive plan (c)	334	300
Accrued vacation, salaries and benefits	6,768	2,995
	<u>\$ 74,671</u>	<u>\$ 85,220</u>

a) Annual Incentive Plan

Variable pay per the Corporation's Annual Incentive Plan (AIP) is accrued based on goal attainment for the calendar year and paid in the subsequent year. Payments are tied to asset class and total fund value-add and include a component for achievement of annual individual objectives. Value-add is the net incremental return from active management. The Chief Executive Officer may also make limited discretionary awards.

Total expense related to the AIP for the year ended March 31, 2021 was \$26,785 (2020: \$27,845) which was recorded in salaries, wages and benefits.

b) Long-Term Incentive Plan

The Corporation provides retention incentives to certain employees through an LTIP and an RFU plan. The LTIP program provides the opportunity for a performance payment for generating superior average value-add over a four-year period. Officers and other key professionals of the Corporation receive LTIP grants effective January 1 of each year that vary in size with their level of responsibility and quality of past performance and vest at the end of the fourth calendar period subsequent to the grant date. In the majority of situations, employees must be actively working for the Corporation on the date of payment. LTIP grants have an initial cash value of zero. When they vest after four years and providing all vesting and plan conditions have been met by the employee, they will pay between zero and three times the size of the grant based on performance over the four-year vesting period. The maximum amount could be paid if the average four-year value-added exceeds the average "stretch target" annually set by the Board. The target and stretch target for the 2021 calendar year is \$325,000 and \$974,000, respectively.

Information about the target, stretch target, and actual results achieved for the last four calendar years is as follows:

(Thousands of Canadian dollars)

	Target	Stretch Target	Value Add (Loss) for Compensation Purposes
2017	258,333	775,000	1,099,500
2018	267,667	803,000	939,500
2019	296,000	888,000	(522,100)
2020	334,500	1,003,000	(5,488,750)

If the average four-year value-add exceeds the average stretch target annually set by the Board, employees have the potential to receive a Special LTIP grant at the vesting date. This Special LTIP grant, which cannot exceed the original grant, has a new four-year vesting period and is subject to the same parameters and plan conditions as regular LTIP grants. Strong performance in certain asset classes since the first grants were awarded have resulted in the potential for Special LTIP grants. A Special LTIP grant was awarded in the current year at \$nil (2020: \$2,884).

The accrued LTIP liability as at March 31, 2021 of \$34,844 (2020: \$46,832) reflects the current value of all outstanding LTIP grants, based on actual results to that date from the date they were awarded, and using a pro forma multiplier of 1.0 (target) for calendar year 2021 and all future years.

NOTE 6 ACCRUED EMPLOYMENT LIABILITIES (continued)

Information about total LTIP grants awarded and outstanding is as follows:

b) Long-Term Incentive Plan (continued)

For the year ended March 31, (Thousands of Canadian dollars)

	2021		2020	
	Original (Notional) Value		Original (Notional) Value	
LTIP grants outstanding, beginning of year	\$ 64,176	\$ 46,832	\$ 61,634	\$ 73,734
Granted	13,712	874	14,297	-
Accrual	-	12,577	-	834
Forfeited	(4,118)	(451)	(3,294)	(2,464)
Paid	(10,368)	(24,988)	(8,461)	(25,272)
LTIP grants outstanding, end of year	<u>\$ 63,402</u>	<u>\$ 34,844</u>	<u>\$ 64,176</u>	<u>\$ 46,832</u>

The maximum potential obligation related to the LTIP as at March 31, 2021 was \$190,206 (2020: \$192,528). Total expenses related to the LTIP for the year ended March 31, 2021 was \$13,000 (2020: claw back of (\$1,630)), which was recorded in salaries, wages and benefits.

c) Restricted Fund Unit Incentive Plan

The RFU program is a supplementary compensation plan based on a notional investment in the total assets under administration, where the value fluctuates based on the total rate of return. Unlike the LTIP grants, rates of return relative to benchmark do not impact the value of the RFUs. RFUs have time horizons of one to three years for vesting provisions. Employees must be on staff as of the payment date in order to be eligible to receive any vested payments.

The accrued RFU liability as at March 31, 2021 of \$334 (2020: \$300) reflects the current value of all outstanding RFU grants, based on actual results to that date from the date they were awarded.

Information about total RFU grants awarded and outstanding is as follows:

For the year ended March 31, (Thousands of Canadian dollars)

	2021		2020	
	Notional Value		Notional Value	
RFU grants outstanding, beginning of year	\$ 315	\$ 300	\$ 907	\$ 910
Granted	565	135	135	135
Accrual	-	59	-	65
Paid	(143)	(160)	(727)	(810)
RFU grants outstanding, end of year	<u>\$ 737</u>	<u>\$ 334</u>	<u>\$ 315</u>	<u>\$ 300</u>

Total expense related to the RFU plan for the year ended March 31, 2021 was \$194 (2020: \$200) which was recorded in salaries, wages and benefits.

NOTE 7 ADVANCE FROM THE PROVINCE OF ALBERTA

Pursuant to Order in Council 219/2012 and in accordance with the loan advance agreement, the Corporation has not received advances from the Province of Alberta for the year ended March 31, 2021 (2020: \$nil). As at March 31, 2021, the outstanding advance from the Province totaled \$58,349 (2020: \$58,349).

The advance is a revolving demand credit facility up to a maximum of \$70,000. The advance is repayable within six months of demand by the Province and is interest bearing at a rate equal to the Province's one-month borrowing rate of 0.21% (2020: 1.69%). Interest expense on the advance is \$125 (2020: \$987) and is included in the Statement of Operations. At March 31, 2021, the Corporation was in compliance with the terms of its revolving demand facility.

NOTE 8 PENSION LIABILITIES

Information about the Corporation's SRP is as follows:

As at and for the year ended March 31, (Thousands of Canadian dollars)	2021	2020
Accrued retirement obligation		
Beginning of year	\$ 9,831	\$ 7,754
Current service cost	430	512
Interest cost	250	260
Benefits paid	(76)	(41)
Actuarial loss	528	1,346
End of year	<u>10,963</u>	<u>9,831</u>
Plan assets		
Fair value, beginning of year	3,445	3,282
Actual return (loss) on plan assets	450	(166)
Employer contributions	129	185
Employee contributions	129	185
Benefits paid	(76)	(41)
End of year	<u>4,077</u>	<u>3,445</u>
Funded status - plan deficit	(6,886)	(6,386)
Unamortized net actuarial loss	2,073	2,099
Reported liability	<u>\$ (4,813)</u>	<u>\$ (4,287)</u>
Current service cost	430	512
Interest cost	250	260
Expected return on plan assets	(87)	(109)
Amortization of net actuarial loss	191	48
Less: employee contributions	(129)	(185)
Total SRP expense	<u>\$ 655</u>	<u>\$ 526</u>

NOTE 8 PENSION LIABILITIES (continued)

The measurement date for the plan assets and the accrued retirement obligation for the Corporation's defined benefit pension plan is March 31. Actuarial valuations are performed at least every three years to determine the actuarial present value of the accrued retirement obligation. An actuarial valuation for funding purposes was prepared as of December 31, 2018. An extrapolation of the actuarial valuation dated December 31, 2018 was performed to March 31, 2021.

Approximate asset allocations, by asset category, of the Corporation's defined benefit pension plan assets were as follows:

As at March 31,	2021	2020
Equity securities	55%	55%
Debt securities	44%	44%
Other	1%	1%

The following table presents key assumptions applicable to the SRP:

As at March 31,	2021	2020
Annual discount rate	2.2%	2.5%
Annual salary increase - base	2.0%	2.0%
Expected long-term return on plan assets	4.3%	4.9%
Inflation rate	2.0%	2.0%

The reported liability of the SRP is significantly impacted by these assumptions. A 1% decrease in the discount rate assumption would result in an increase in the reported liability by \$2,729 as at March 31, 2021 (2020: \$2,489). A 1% increase in the salary scale assumption would result in an increase in the reported liability by \$2,165 as at March 31, 2021 (2020: \$1,868). A 1% increase in the inflation rate assumption would result in an increase in the reported liability by \$1,044 as at March 31, 2021 (2020: \$987).

Pension and Disability Plans

The Corporation participates in two multi-employer public sector pension plans, the Management Employees Pension Plan (MEPP) and the Public Service Pension Plan (PSPP). The Corporation also participates in a defined contribution pension plan and a defined contribution supplementary retirement plan, established for employees hired after the formation of the Corporation on January 1, 2008.

The Corporation's expense for the pension and disability plans was equivalent to the annual contributions of \$5,620 (2020: \$4,542) for the year ended March 31, 2021 which was recorded in salaries, wages and benefits.

The Corporation accounts for multi-employer pension plans on a defined contribution basis. The Corporation is not responsible for future funding of the plan deficit other than through contribution increases.

The Corporation does not have sufficient plan information on the MEPP/PSPP to follow the standards for defined benefit accounting, and therefore follows the standards for defined contribution accounting. Accordingly, pension expense recognized for the MEPP/PSPP is comprised of employer contributions to the plan that are required for its employees during the year, which are calculated based on actuarially pre-determined amounts that are expected to provide the plan's future benefits.

At December 31, 2020, MEPP reported a surplus of \$809,850 (2019: surplus of \$1,008,135) and PSPP a surplus of \$2,223,582 (2019: surplus of \$2,759,320).

NOTE 9 TANGIBLE CAPITAL ASSETS

For the year ended March 31, (Thousands of Canadian dollars)

	Computer systems hardware and software	Leasehold improvements	Furniture and equipment	2021	2020
Cost					
Opening balance	\$ 135,288	\$ 7,556	\$ 5,494	\$ 148,338	\$ 143,759
Additions	10,954	-	9	10,963	18,259
Disposals	(2,109)	-	-	(2,109)	(13,551)
Write downs	(93)	-	-	(93)	(129)
Closing balance	<u>144,040</u>	<u>7,556</u>	<u>5,503</u>	<u>157,099</u>	<u>148,338</u>
Accumulated amortization					
Opening balance	76,383	319	4,658	81,360	78,372
Amortization expense	16,386	552	213	17,151	16,539
Effect of disposals	(2,109)	-	-	(2,109)	(13,551)
Closing balance	<u>90,660</u>	<u>871</u>	<u>4,871</u>	<u>96,402</u>	<u>81,360</u>
Net book value at March 31	<u>\$ 53,380</u>	<u>\$ 6,685</u>	<u>\$ 632</u>	<u>\$ 60,697</u>	<u>\$ 66,978</u>

Cost includes work-in-progress at March 31, 2021 totaling \$4,255 (2020: \$4,465) comprised of computer systems hardware and software.

NOTE 10 NET ASSETS

Net assets is made up as follows:

As at March 31, (Thousands of Canadian dollars)

	2021	2020
Contributed surplus (a)	\$ 3,647	\$ 3,647
Share capital (b)	-	-
	<u>\$ 3,647</u>	<u>\$ 3,647</u>

a) Contributed Surplus

Contributed surplus of \$3,647 (2020: \$3,647) represents equity received by the Ministry of Treasury Board and Finance in exchange for the transfer of the net book value of capital assets to the Corporation on January 1, 2008.

b) Share Capital

The share capital of the Corporation consists of one share owned by the Crown in the right of Alberta recorded at \$nil (2020: \$nil).

NOTE 11 THIRD-PARTY INVESTMENT COSTS

Fees charged by third-party managers include regular management fees as well as performance/incentive-based fees. Third-party investment management fees are based on a percentage of net assets under management at fair value and committed amounts in the case of private investment pools. Third-party management fees may also vary by investment asset class. As of March 31, 2021, approximately 80% of assets under management are managed internally by the Corporation, and the remaining 20% through third-party investment managers. Third-party performance fees vary from year to year, and when compared to budgeted amounts, as these fees are directly correlated with investment performance. Higher investment returns generally result in higher third-party performance fees. These fees include significant estimates and are subject to measurement uncertainty. Actual results could differ from these estimates. These costs are incurred directly by the Corporation's investment portfolios.

Third-party other fees are incurred directly by the Corporation's investment portfolios and include fees for asset custody and investment acquisition. Not included in the third-party investment costs are asset administration, audit, compliance, valuation, and investment disposition and structuring costs incurred directly by the investment portfolios totaling \$56,129 for the year ended March 31, 2021 (2020: \$57,709).

NOTE 12 ASSETS UNDER ADMINISTRATION

The Corporation provides investment management services on behalf of certain Province of Alberta endowment funds, other government funds and certain public sector pension plans.

Measurement uncertainty exists in the valuation of private investments, hedge funds, real estate and renewable resource investments. Uncertainty arises because the estimated fair values of private investments, hedge funds, real estate and renewable resource investments may differ significantly from the values that would have been used had a ready market existed for these investments.

At March 31, 2021, assets under administration totaled \$129.9 billion (2020: \$110.0 billion), at market value. These assets were administered on behalf of the following clients of the Corporation:

As at March 31, (Thousands of Canadian dollars)	2021	2020
Pension plans	\$ 89,683,454	\$ 72,695,533
Ministry of Treasury Board and Finance		
General revenue and entity investment funds ⁽¹⁾	7,587,597	9,648,931
Endowment funds (including the Alberta Heritage Savings Trust Fund)	23,362,505	21,286,361
Insurance-related funds	6,747,120	3,079,146
Other government Ministry investment funds	2,481,034	3,253,631
	<u>\$ 129,861,710</u>	<u>\$ 109,963,602</u>

(1) General Revenue Fund Policy loans have been excluded as they are managed by the Ministry of Treasury Board and Finance.

The Corporation manages the majority of these investments through pooled investment funds. However, some investments are managed by third party investment managers selected and monitored by the Corporation in order to achieve greater diversification, access to external expertise, and specialized knowledge. Investments are made in accordance with the investment policies established and approved by the clients.

NOTE 12 ASSETS UNDER ADMINISTRATION (continued)

Investments administered by the Corporation were held in the following asset classes:

As at March 31, (Thousands of Canadian dollars)

	<u>2021</u>	<u>2020</u>
Fixed income		
Fixed income ⁽¹⁾	\$ 35,552,542	\$ 33,134,910
Private mortgages	4,152,526	4,286,656
Private debt and loan	2,726,084	1,600,608
Inflation sensitive		
Real estate	17,661,351	14,904,422
Infrastructure and renewable resources	13,069,821	11,757,483
Real return bonds and commodities	1,623,897	744,619
Equities		
Public equities and absolute return strategies	46,793,321	36,507,680
Private equity and venture capital	8,047,985	4,938,013
Overlays	234,183	355,572
Other derivatives	-	1,733,639
	<u>\$ 129,861,710</u>	<u>\$ 109,963,602</u>

(1) General Revenue Fund Policy loans have been excluded as they are managed by the Ministry of Treasury Board and Finance.

NOTE 13 RELATED PARTY TRANSACTIONS

Related parties are the government funds, pension plans, and entities under common control of the Province of Alberta for which the Corporation provides investment management services. Related parties also include key management personnel, close family members of those individuals, and entities that those individuals or their close family members may have significant control over (Key Management Personnel and their Close Family Members).

During the year ended March 31, 2021 and the prior year, there were no transactions between the Corporation and Key Management Personnel and their Close Family Members, that did not take place at fair market value.

AIMCo's direct and indirect cost recoveries revenue for the investment management services the Corporation provides do not include a profit margin. As a result, these revenues are not at fair market value.

The Corporation had the following transactions with related parties recorded at the exchange amount which is the amount of consideration agreed upon between the related parties:

For the year ended March 31, (Thousands of Canadian dollars)	2021	2020
Revenues		
Direct cost recoveries ⁽¹⁾⁽²⁾	\$ 181,166	\$ 165,729
Indirect cost recoveries ⁽¹⁾⁽²⁾	63,599	61,878
Interest income	147	1,193
	<u>244,912</u>	<u>228,800</u>
Expenses		
Interest on advance from the Province of Alberta ⁽²⁾	43	363
Contracted services ⁽²⁾⁽³⁾	473	416
	<u>516</u>	<u>779</u>
Assets		
Accounts receivable ⁽¹⁾⁽²⁾	<u>6,244</u>	<u>3,004</u>
Liabilities		
Accounts payable ⁽²⁾	437	330
Advance from the Province of Alberta	58,349	58,349
	<u>\$ 58,786</u>	<u>\$ 58,679</u>

(1) Recovered from government funds, pension plans and other entities under common control.

(2) The prior period amounts were restated to exclude cost recoveries from Local Authorities Pension Plan, Public Service Pension Plan and Special Forces Pension Plan which are not under government common control. This change reduced the related party cost recoveries disclosed in the prior period financial statements by \$332,089.

(3) Transacted with the Ministry of Treasury Board and Finance and other entities

NOTE 14 SALARIES AND BENEFITS DISCLOSURE

The Corporation has a pay for performance strategy to attract, retain, and motivate top performers. Base salaries are market driven and variable compensation programs reward long-term value-add performance.

The following table presents total compensation of the directors and officers of the Corporation earned for the year ended March 31, 2021 in accordance with direction from the Ministry of Treasury Board and Finance.

	For the year ended March 31, (Thousands of Canadian dollars)					2021	2020
	Base Salary ⁽¹⁾	Incentive Plan		Other Cash Benefits ⁽⁴⁾	Other Non-Cash Benefits ⁽⁵⁾	Total	Total
		Annual ⁽²⁾	Long-Term ⁽³⁾				
Chairman of the Board ⁽⁶⁾⁽⁷⁾	\$ -	\$ -	\$ -	\$ 116	\$ -	\$ 116	\$ 114
Board Members ⁽⁶⁾	-	-	-	541	-	541	537
Chief Executive Officer	500	1,526	634	-	77	2,737	2,976
Chief Investment Officer	425	811	881	-	71	2,188	2,949
Chief Investment Strategy Officer ⁽⁸⁾	175	140	-	400	28	743	-
EVP, Public Equities ⁽⁹⁾	68	-	-	330	14	412	1,048
EVP, Fixed Income	300	576	1,464	-	56	2,396	2,005
Chief Corporate Officer	285	453	181	13	46	978	1,361
Chief Financial Officer ⁽¹⁰⁾	29	-	-	37	11	77	866
Chief Financial Officer ⁽¹¹⁾	120	-	-	-	20	140	-
Chief Legal Officer	260	281	132	26	49	748	932
Chief Risk Officer ⁽¹²⁾	206	253	209	11	33	712	966
Chief Risk Officer ⁽¹³⁾	121	20	-	-	21	162	-
Chief Client and Stakeholder Relations Officer	240	174	122	-	40	576	482

(1) Base salary consists of all regular pensionable base pay earned.

(2) Annual incentive plan is accrued based on goal attainment for the calendar year and paid in the subsequent period.

(3) Long-term incentive plan consists of amounts that became eligible for payment in the year and paid in a subsequent period.

(4) Other cash benefits consist of RFU amounts that became eligible for payment in the year and paid in a subsequent period, severance paid, lump sum payments, and any other direct cash remuneration.

(5) Other non-cash benefits consist of the Corporation's share of all employee benefits and contributions or payments made on behalf of employees, including pension, supplementary retirement plans, statutory contributions, and health plan coverage.

(6) The Board consisted of 10 independent members during fiscal 2020-21, including the Chairman whose compensation is disclosed separately.

(7) Two individuals occupied this position at different times during fiscal 2020-21. The incumbent was appointed Chairman on July 1, 2020. Amounts shown are for both the current and previous incumbent while they occupied the position in fiscal 2020-21.

(8) The incumbent commenced employment with the Corporation on October 1, 2020.

(9) The incumbent terminated employment with the Corporation on June 22, 2020. Included in other cash benefits are termination benefits of \$310.

(10) The incumbent terminated employment with the Corporation on April 30, 2020.

(11) The incumbent commenced employment with the Corporation on November 18, 2020.

(12) The incumbent terminated employment with the Corporation on December 31, 2020.

(13) The incumbent commenced employment with the Corporation on November 5, 2020.

NOTE 14 SALARIES AND BENEFITS DISCLOSURE (continued)

The Board of Directors of the Corporation announced the appointment of a new Chief Executive Officer (CEO) effective July 1, 2021. The incumbent CEO is the Corporation's CEO until June 30, 2021. As per his employment contract, the incumbent CEO is entitled to a termination benefit of \$2,173 to be paid in fiscal 2022, which is included in accrued employment liabilities as at March 31, 2021. LTIP and RFU grants that are unvested when the incumbent CEO ceases to be employed by the Corporation will continue to accrue and are payable after the normal vesting period of the grant. The incumbent CEO is also entitled to an LTIP grant in fiscal 2022. The unvested LTIP grants as at March 31, 2021 are presented in the table below and the unvested RFU for \$150 will vest on December 31, 2022.

LTIP grants are awarded at the start of each fiscal year. The resulting value, if any, is paid out after the end of a four-year vesting period and is based on long-term value-added performance. The tables below show the original (Notional) LTIP grants and estimated potential future payouts for each named executive. The future value of awards granted for 2018, 2019 and 2020 but not vested are estimated as at March 31, 2021 based on actual performance for calendar years 2018, 2019 and 2020 and pro forma multipliers of 1.0 (target) for future years. For awards granted in 2021, the future payout is estimated as at March 31, 2021 based on pro forma multipliers of 1.0 (target) for calendar year 2021 and all future years. No amount is payable if performance is below a certain level or if the vesting and payment conditions pursuant to the plan are not met.

NOTE 14 SALARIES AND BENEFITS DISCLOSURE (continued)

<i>(Thousands of Canadian dollars)</i>	Original (Notional) Grant Value				
	As at March 31, 2020 ⁽⁶⁾	Granted in Year	Eligible for Payout in Year	Forfeited or Adjusted in Year	As at March 31, 2021
Chief Executive Officer	\$ 2,750	\$ 875	\$ (500)	\$ -	\$ 3,125
Chief Investment Officer	2,707	446	(695)	-	2,458
Chief Investment Strategy Officer	-	368	-	-	368
EVP, Public Equities ⁽¹⁾	1,618	-	-	(1,618)	-
EVP, Fixed Income	2,068	300	(499)	-	1,869
Chief Corporate & HR Officer	763	143	(143)	-	763
Chief Financial Officer ⁽²⁾	368	-	-	(368)	-
Chief Financial Officer ⁽³⁾	-	163	-	-	163
Chief Legal Officer	506	117	(104)	-	519
Chief Risk Officer ⁽⁴⁾	674	-	(165)	(509)	-
Chief Risk Officer ⁽⁵⁾	-	140	-	-	140
Chief Client and Stakeholder Relations Officer	384	96	(96)	-	384

<i>(Thousands of Canadian dollars)</i>	Estimated Future Payout					
	As at March 31, 2020 ⁽⁶⁾	Granted in Year	Eligible for Payout in Year	Forfeited or Adjusted in Year	Change in Estimated Future Payout in Year	As at March 31, 2021
Chief Executive Officer	\$ 2,786	\$ 875	\$ (634)	\$ -	\$ (1,819)	\$ 1,208
Chief Investment Officer	3,036	446	(881)	-	(1,949)	652
Chief Investment Strategy Officer	-	368	-	-	-	368
EVP, Public Equities ⁽¹⁾	1,208	-	-	(289)	(919)	-
EVP, Fixed Income	3,362	300	(1,464)	-	(55)	2,143
Chief Corporate & HR Officer	752	143	(181)	-	(493)	221
Chief Financial Officer ⁽²⁾	300	-	-	(64)	(236)	-
Chief Financial Officer ⁽³⁾	-	163	-	-	-	163
Chief Legal Officer	531	117	(132)	-	(342)	174
Chief Risk Officer ⁽⁴⁾	767	-	(209)	(85)	(473)	-
Chief Risk Officer ⁽⁵⁾	-	140	-	-	-	140
Chief Client and Stakeholder Relations Officer	439	96	(122)	-	(272)	141

(1) The incumbent terminated employment with the Corporation on June 22, 2020.

(2) The incumbent terminated employment with the Corporation on April 30, 2020.

(3) The incumbent commenced employment with the Corporation on November 18, 2020.

(4) The incumbent terminated employment with the Corporation on December 31, 2020.

(5) The incumbent commenced employment with the Corporation on November 5, 2020.

(6) The Estimated Future Payout table has been updated to conform with the current year presentation of the Original Grant Value table.

NOTE 15 CONTRACTUAL OBLIGATIONS

Contractual obligations of \$181,672 (2020: \$187,832) are obligations to others that will become liabilities in the future when the terms of those contracts or agreements are met. The Corporation has entered into various agreements with minimum annual commitments for office space and other contracted services. The obligations exclude third-party investment costs incurred directly by the Corporation's investment portfolios. Estimated payment requirements for each of the next five years and thereafter are as follows:

As at March 31, (Thousands of Canadian dollars)		2021
2022	\$	47,478
2023		20,916
2024		14,437
2025		13,182
2026		13,717
Thereafter		71,942
Total	\$	<u>181,672</u>

The Corporation entered into a lease agreement commencing April 30, 2013, for nine years, with an option to renew for a further six years. Included in this agreement is a lease inducement of \$300 to be recognized as a reduction in lease expense over the nine-year term of the lease.

The Corporation also entered into a lease agreement commencing February 26, 2018 for 10 years.

The Corporation entered into a lease agreement commencing January 1, 2020, for 15 years, with two optional renewal periods of five years each. As part of the lease agreement, the Corporation received a lease inducement of \$1,875 which will be recognized as a reduction in lease expense over the 15-year term of the lease.

The total deferred lease inducement as at March 31, 2021 is \$1,752 (2020: \$1,911).

Pursuant to Order in Council 23/2008, the Corporation has made available a facility to access up to a maximum of \$300,000 for letters of credit. This facility is utilized by the investment pools and at March 31, 2021 the balance outstanding against the facility is \$87,612 (2020: \$59,025).

NOTE 16 2021 BUDGET

The Corporation's budget for the year ended March 31, 2021 was approved by the Board of Directors in the amount of \$529,675 on December 4, 2019.

NOTE 17 FINANCIAL RISK MANAGEMENT

The Corporation has minimal exposure to credit risk, liquidity risk and foreign exchange risk due to the nature of our operations.

a) Credit Risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the Corporation. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies usually leading to a fall in the fair value of the counterparty's obligations. Credit risk exposure for financial instruments is measured by the positive fair value of the contractual obligations with counterparties. The fair value of all investments is directly or indirectly impacted by credit risk to some degree. The Corporation is exposed to minimal credit risk as all our clients are established organizations that have a proven history of payment.

As at March 31, 2021, the total carrying amount in accounts receivable balance is current.

b) Liquidity Risk

Liquidity risk is the risk that the Corporation will encounter difficulty in meeting obligations associated with its financial liabilities. The Corporation has limited exposure to liquidity risk as it recovers all operating expenses and capital expenditures from our clients on a cost recovery basis.

Liquidity risk exposure is managed through regular recovery of all operating costs on a monthly basis. Further, the Corporation's Board of Directors may approve recoveries greater than costs to maintain or increase the Corporation's general reserve, in the event additional funding is needed.

c) Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The fair value of investments denominated in foreign currencies is translated into Canadian dollars using the reporting date exchange rate. The Corporation has limited exposure to foreign exchange risk as amounts are payable and paid in a timely manner.

The carrying amount of the Corporation's US and British Pound Sterling denominated foreign currency in accounts payable and accrued liabilities as at March 31, 2021 is \$1,765 (2020: \$2,112) and \$576 (2020: \$177), respectively.

d) Interest Rate Risk

The Corporation is exposed to interest rate risk from our advance from the Province of Alberta. The sensitivity of the Corporation's operating surplus due to a 1% change in the interest rate is \$583 (2020: \$583).

NOTE 18 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on June 3, 2021.

