Financial Statements

Alberta Investment Management Corporation

Consolidated Financial Statements

For the year ended March 31, 2025

Management's Responsibility for Financial Reporting

The consolidated financial statements of Alberta Investment Management Corporation (the Corporation) have been prepared by management and approved by the Board of Directors. The consolidated 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 consolidated financial statements.

Management is responsible for the integrity and fairness of the consolidated financial statements. The consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements and prepared an Independent Auditor's Report, which is presented in the consolidated financial statements.

[Original signed by Ray Gilmour]

Ray Gilmour
Interim Chief Executive Officer

[Original signed by Paul Langill]

Paul Langill
Chief Financial Officer

Independent Auditor’s Report

Auditor General OF ALBERTA

To the Shareholder of Alberta Investment Management Corporation

Report on the Consolidated Financial Statements

Opinion

I have audited the consolidated financial statements of Alberta Investment Management Corporation (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of operations, change in net debt, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, 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 Consolidated Financial Statements* section of my report. I am independent of the Group in accordance with the ethical requirements that are relevant to my audit of the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

My objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. I am responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. I remain solely responsible for my audit opinion.

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

May 30, 2025

Edmonton, Alberta

Consolidated Statement of Financial Position

As at March 31, *(Thousands of Canadian dollars)*	**2025**	**2024**
Financial assets		
Cash and cash equivalents (Note 5)	$ 63,810	$ 56,974
Accounts receivable	54,162	46,732
Other assets	-	2,037
	117,972	105,743
Liabilities		
Accounts payable and accrued liabilities	25,746	13,890
Accrued employment liabilities (Note 6)	99,636	106,258
Advance from the Province of Alberta (Note 7)	25,000	25,000
Pension liabilities (Note 8)	7,186	6,332
Deferred lease inducement	4,357	4,084
	161,925	155,564
Net debt	(43,953)	(49,821)
Non-financial assets		
Tangible capital assets (Note 9)	27,907	36,913
Prepaid expenses	19,693	16,555
	47,600	53,468
Net assets (Note 10)	$ 3,647	$ 3,647

Contractual rights (Note 15)

Contractual obligations (Note 16)

Contingent liabilities (Note 17)

The accompanying notes are part of these consolidated financial statements.

Approved by the Board:

[Original signed by Right Honourable Stephen J. Harper]

Right Honourable Stephen J. Harper
Chair, Board of Directors

[Original signed by Jason Montemurro]

Jason Montemurro
Audit Committee Chair

Consolidated Statement of Operations

For the year ended March 31, *(Thousands of Canadian dollars)*	2025 Budget (Note 18)	2025	2024
Revenue			
Cost recoveries	$ 1,114,862	$ 1,145,740	$ 1,080,050
Interest income	-	3,943	4,254
Total revenue	1,114,862	1,149,683	1,084,304
Expenses			
Third-party investment management fees (Note 11)	465,931	409,313	399,616
Third-party performance fees (Note 11)	165,924	266,563	273,056
Third-party other fees (Note 11)	39,304	12,471	10,965
Salaries, wages and benefits	273,288	290,835	276,253
Business technology and data services	99,644	105,309	57,408
Amortization of tangible capital assets (Note 9)	13,182	14,209	15,018
Contract and professional services	25,364	15,992	21,527
Rent	14,915	18,810	14,069
Administration	16,980	15,838	16,063
Interest	330	343	329
Total expenses	1,114,862	1,149,683	1,084,304
Annual surplus	$ -	$ -	$ -

The accompanying notes are part of these consolidated financial statements.

Consolidated Statement of Change in Net Debt

For the year ended March 31, *(Thousands of Canadian dollars)*	2025 Budget (Note 18)	2025	2024
Annual surplus	$ -	$ -	$ -
Acquisition of tangible capital assets (Note 9)	(11,170)	(5,437)	(11,742)
Net loss on disposal of tangible capital assets (Note 9)	-	234	11
Amortization of tangible capital assets (Note 9)	13,182	14,209	15,018
Change in prepaid expenses	-	(3,138)	(1,810)
Decrease in net debt in the year	2,012	5,868	1,477
Net debt at beginning of year	(49,821)	(49,821)	(51,298)
Net debt at end of year	$ (47,809)	$ (43,953)	$ (49,821)

The accompanying notes are part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended March 31, *(Thousands of Canadian dollars)*	2025	2024
Operating transactions		
Annual surplus	$ -	$ -
Non-cash items:		
Amortization of tangible capital assets (Note 9)	14,209	15,018
Loss on disposal of capital assets (Note 9)	234	11
Change in deferred lease inducement	273	2,615
Change in pension liabilities	854	573
	15,570	18,217
(Increase) in accounts receivable	(7,430)	(7,628)
Decrease (Increase) in other assets	2,037	(2,037)
(Increase) in prepaid expenses	(3,138)	(1,810)
Increase in accounts payable and accrued liabilities	11,856	5,611
(Decrease) Increase in accrued employment liabilities	(6,622)	13,406
Cash provided by operating transactions	12,273	25,759
Capital transactions		
Acquisition of tangible capital assets (Note 9)	(5,437)	(11,742)
Cash (applied to) capital transactions	(5,437)	(11,742)
Financing transactions		
Debt retirement (Note 7)	(25,000)	(25,000)
Debt issues (Note 7)	25,000	25,000
Cash provided by financing transactions	-	-
Increase in cash and cash equivalents	6,836	14,017
Cash and cash equivalents at beginning of year	56,974	42,957
Cash and cash equivalents at end of year	$ 63,810	$ 56,974
Supplementary information		
Cash used for interest	$ 106	$ 180

The accompanying notes are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025 (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 Corporation 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 $180.8 billion (2024: $165.8 billion) at March 31, 2025, 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 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 consolidated financial statements of the Corporation. The Corporation makes investments on behalf of its clients and may also establish entities 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 consolidated 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 consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards and include the following significant accounting policies:

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

a) Reporting Entity and Method of Consolidation

The consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity, which is composed of all subsidiaries controlled by the Corporation, from the date that control commences until the date that control ceases. These subsidiaries are AIMCo (Asia Pacific) PTE. LTD. and AIM Corporation US LLC.

The accounts of government sector entities are consolidated using the line-by-line method. Under this method, accounting policies of the subsidiaries are adjusted to conform to the Corporation's accounting policies and the results of each line item in their financial statements (revenue, expense, assets, and liabilities) are included in the Corporation's results. Revenue and expense, capital, investing and financing transactions and related asset and liabilities balances between the Corporation and the subsidiaries have been eliminated.

b) 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 $409,313 (2024: $399,616), third-party performance fees, which are recorded as $266,563 (2024: $273,056), accrued employment liabilities, which are recorded as $99,636 (2024: $106,258) and pension liabilities, which are recorded as $7,186 (2024: $6,332) in these consolidated 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 excess returns over benchmarks, absolute balanced fund performance and corporate, team and individual objectives. Excess returns over benchmarks are net incremental returns over defined benchmarks from active management. Absolute balanced fund performance reflects the overall rate of return on clients' balanced portfolio of assets. 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 consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Actual results may differ from these estimates.

c) Revenue Recognition

All revenues are reported on an accrual basis of accounting.

<u>Cost recovery revenue</u>

Cost recovery revenue is recognized on the recovery of direct third-party 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 costs are charged based on direct cost drivers, assets under management and headcount.

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

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

c) Revenue Recognition (continued)

Under the *Alberta Investment Management Corporation 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.

d) 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, as disclosed in Note 11.

Costs to implement cloud-based software-as-a-service platforms are recognized as an operating expense.

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

e) Financial Assets

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

<u>Cash and Cash Equivalents</u>
Cash and cash equivalents are recognized at cost, which is equivalent to their fair value, and include short-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.

<u>Accounts Receivable</u>
Accounts receivable are unsecured, non-interest bearing and are recognized at the lower of cost or net recoverable value. A 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 Consolidated Statement of Operations (2025 and 2024: $nil).

<u>Other Assets</u>
Other assets are valued at the lower of cost and net recoverable value.

f) 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.

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

f) Liabilities (continued)

Liabilities also include:
- all financial claims payable by the Corporation at year-end;
- accrued employee vacation 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.

g) Non-Financial Assets

Non-financial assets are acquired, constructed or developed and 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 tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Computer systems hardware and software	5 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 disposed of or 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 net loss on disposal of $234 (2024: $11) is accounted for as an expense in the Consolidated Statement of Operations.

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

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

h) 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 Consolidated 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 Consolidated 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 is not the beneficial owner of any derivative financial instruments entered into on behalf of its clients.

i) 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 Corporate Incentive Plan (CIP), a Long-Term Incentive Plan (LTIP), and a Restricted Fund Unit Plan (RFU). The potential end value of these awards, if and when vested, fluctuate over the vesting period based on investment returns, corporate, team and individual objectives, as applicable, and are expensed as salaries, wages, and benefits over the vesting period. The liability for the awards is remeasured at each reporting period based on changes in the values of the awards, 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 Consolidated Statement of Operations. For any forfeiture of awards, the accrued compensation cost will be adjusted by decreasing salaries, wages and benefits expense in the period of forfeiture.

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

j) 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. The functional currency of the Corporation's subsidiaries is the Canadian dollar.

k) Taxes

The Corporation is exempt from income tax on its operations in Canada but is subject to taxes in some foreign jurisdictions and incurs indirect taxes.

NOTE 4
FUTURE CHANGES IN ACCOUNTING STANDARDS

On April 1, 2026 (beginning of fiscal year or thereafter), the Corporation will adopt the following new conceptual framework and accounting standard approved by the Public Sector Accounting Board:

<u>The Conceptual Framework for Financial Reporting in the Public Sector</u>
The Conceptual Framework is the foundation for public sector financial reporting standard setting. It replaces the conceptual aspects of Section PS 1000 Financial Statement Concepts and Section PS 1100 Financial Statement Objectives. The conceptual framework highlights considerations fundamental for the consistent application of accounting issues in the absence of specific standards.

<u>PS 1202 Financial Statement Presentation</u>
Section PS 1202 sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principles are based on the concepts within the Conceptual Framework.

Management is currently assessing the impact of the conceptual framework and the financial statement presentation standard on the consolidated financial statements.

NOTE 5
CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

As at March 31, *(Thousands of Canadian dollars)*	2025	2024
Canadian bank account	$ 60,286	$ 53,562
US bank account	2,220	1,219
British Pound Sterling bank account	1,082	1,712
Singapore bank account	222	481
	$ 63,810	$ 56,974

In June 2023, the Corporation began to participate in the Consolidated Liquidity Solution (CLS), earning interest income from its participation in the CLS, a new cash pooling structure that replaced the Consolidated Cash Investment Trust Fund. As of March 31, 2025, the ending CLS balance was $nil (2024: $nil). The CLS generated interest income of $2,263 (2024: $2,625). The Corporation's bank accounts generated $1,680 (2024: $1,629) of interest income.

NOTE 6
ACCRUED EMPLOYMENT LIABILITIES

As at March 31, *(Thousands of Canadian dollars)*	2025	2024
Corporate incentive plan (a)	$ 78,236	$ 68,229
Long-term incentive plan (b)	533	22,980
Restricted fund unit incentive plan (c)	358	9,409
Accrued vacation, salaries and benefits (d)	20,509	5,640
	$ 99,636	$ 106,258

a) Corporate Incentive Plan

Effective January 1, 2022, the Corporation introduced a new CIP. The CIP measures performance at the total fund, balanced fund, asset class, corporate, team and individual levels, incorporating a combination of quantitative and qualitative objectives. Total fund, balanced fund and asset class performance is measured over a four-year period. The annual incentive is paid in the year following the end of the performance period and, for senior positions, a portion is required to be deferred. The deferred portion is notionally reinvested in the balanced fund and paid in three equal payments that vest over 24-month, 36-month and 45-month periods following the start of the performance period for which the incentive award was calculated. Each payment is calculated as the initial value of the deferred amount for the specified period plus the compound rate of return of the balanced fund over the vesting period. The Chief Executive Officer may also make limited discretionary awards.

The CIP includes accruals for the annual incentive and mandatory deferred portions over the vesting periods. Total expense related to the CIP for the year ended March 31, 2025 was $113,042 (2024: $120,955) which was recorded in salaries, wages and benefits.

NOTE 6
ACCRUED EMPLOYMENT LIABILITIES (continued)

b) Long-Term Incentive Plan

The LTIP program provides the opportunity for a performance payment for generating superior excess returns measured over a four-year period. Prior to 2022, certain officers and other key professionals of the Corporation received LTIP grants effective January 1 of each year that varied in size with their level of responsibility and quality of past performance and vest at the end of the fourth calendar year subsequent to the grant date. LTIP awards have an initial cash value of zero and could pay between zero and the maximum of three times the size of the award providing all plan conditions have been met by plan participants. Included within the LTIP program were provisions for a special LTIP grant when performance outcomes in any four-year LTIP cycle exceeded the maximum payout under the Plan. With the introduction of the CIP effective January 1, 2022, no new grants were awarded under the LTIP, and the performance measures of all outstanding grants were fixed effective at the end of calendar year 2021. The outstanding LTIP grants measured at the fixed value as at March 31, 2025 were $656 (2024: $28,484). Total expenses related to the LTIP for the year ended March 31, 2025 were $3,931 (2024: $10,919) and recorded in salaries, wages and benefits.

c) Restricted Fund Unit Incentive Plan

The RFU incentive plan program is a supplementary compensation plan based on a notional investment in the total fund, where the value fluctuates based on the rate of return of the total fund over the vesting period. 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.

With the transition to CIP effective January 1, 2022, RFUs were awarded to holders of LTIP grants that met the performance threshold for a special LTIP award using calculation methods approved by the Board. The outstanding RFUs as at March 31, 2025 are $559 (2024: $14,192). Total expenses related to the RFU plan for the year ended March 31, 2025 were net reversals of $1,877 (2024: expenses of $12,705) and recorded in salaries, wages and benefits. RFU reversals were due to forfeitures of previously accrued RFU awards not vested.

d) Accrued Vacation, Salaries, Benefits and Other

Accrued vacation, salaries, benefits and other includes termination benefit accruals of $14,931 (2024: $858). Total termination benefit expenses were $27,804 (2024: $3,341).

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 received advances of $25,000 (2024: $25,000) and repaid $25,000 (2024: $25,000) to the Province of Alberta for the year ended March 31, 2025.

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. Interest expense on the advance was $106 (2024: $180) and included in the Consolidated Statement of Operations. At March 31, 2025, 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)*	**2025**	**2024**
Accrued retirement obligation		
Beginning of year	$ 14,210	$ 11,778
Current service cost	282	192
Interest cost	448	431
Benefits paid	(281)	(269)
Actuarial loss	1,964	2,078
End of year	16,623	14,210
Plan assets		
Fair value, beginning of year	4,183	4,094
Actual return on plan assets	260	240
Employer contributions	59	59
Employee contributions	59	59
Benefits paid	(281)	(269)
End of year	4,280	4,183
Funded status - plan deficit	(12,343)	(10,027)
Unamortized net actuarial loss	5,157	3,695
Reported liability	$ (7,186)	$ (6,332)
Current service cost	282	192
Interest cost	448	431
Expected return on plan assets	(128)	(146)
Amortization of net actuarial loss	370	214
Less: employee contributions	(59)	(59)
Total SRP expense	$ 913	$ 632

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, 2024. An extrapolation of the actuarial valuation dated December 31, 2024 was performed to March 31, 2025.

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

As at March 31,	**2025**	**2024**
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,	**2025**	**2024**
Annual discount rate	2.4%	3.1%
Annual salary increase - base	3.5%	4.0%
Expected long-term return on plan assets	4.8%	6.3%
Inflation rate	2.2%	2.3%

The reported liability of the SRP is significantly impacted by the following assumptions. A 1% decrease in the discount rate assumption would result in an increase in the accrued retirement obligation by $4,062 as at March 31, 2025 (2024: $3,207). A 1% increase in the salary scale assumption would result in an increase in the accrued retirement obligation by $1,417 as at March 31, 2025 (2024: $1,525). A 1% increase in the inflation rate assumption would result in an increase in the accrued retirement obligation by $2,096 as at March 31, 2025 (2024: $1,517).

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 $10,606 (2024: $9,782) for the year ended March 31, 2025 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.

NOTE 8
PENSION LIABILITIES (continued)

At December 31, 2024, MEPP reported a surplus of $1,865,997 (2023: surplus of $1,316,313) and PSPP reported a surplus of $6,473,956 (2023: surplus of $4,542,500).

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	2025	2024
Cost					
Opening balance	$ 161,159	$ 11,539	$ 6,627	$ 179,325	$ 170,473
Additions	5,288	121	28	5,437	11,742
Disposals	(570)	(311)	-	(881)	(2,890)
Closing balance	165,877	11,349	6,655	183,881	179,325
Accumulated amortization					
Opening balance	134,114	2,980	5,318	142,412	130,273
Amortization expense	12,887	1,144	178	14,209	15,018
Effect of disposals	(564)	(83)	-	(647)	(2,879)
Closing balance	146,437	4,041	5,496	155,974	142,412
Net book value at March 31	$ 19,440	$ 7,308	$ 1,159	$ 27,907	$ 36,913

Cost includes work-in-progress at March 31, 2025 totaling $198 (2024: $6,009), comprised of computer systems hardware and software.

NOTE 10
NET ASSETS

Net assets are made up as follows:

As at March 31, *(Thousands of Canadian dollars)*	2025	2024
Contributed surplus (a)	$ 3,647	$ 3,647
Share capital (b)	-	-
	$ 3,647	$ 3,647

NOTE 10
NET ASSETS (continued)

a) Contributed Surplus

Contributed surplus of $3,647 (2024: $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 (2024: $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 investment management fees may also vary by investment asset class. As of March 31, 2025, approximately 68% of assets under management are managed internally by the Corporation, and the remaining 32% through third-party investment managers. Third-party performance fees vary from year to year and from 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 third-party investment costs are asset administration, audit, compliance, valuation, and investment disposition and structuring costs incurred directly by the investment portfolios totaling $107,150 for the year ended March 31, 2025 (2024: $98,642).

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 absolute return strategies, private equity, real estate, infrastructure 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, 2025, assets under administration totaled $180.8 billion (2024: $165.8 billion), at market value. These assets were administered on behalf of the following clients of the Corporation:

NOTE 12
ASSETS UNDER ADMINISTRATION (continued)

As at March 31, *(Thousands of Canadian dollars)*	**2025**	**2024**
Pension plans	$ 133,044,672	$ 121,713,026
Ministry of Treasury Board and Finance		
General revenue and entity investment funds	2,396,535	2,324,455
Endowment funds (including the Alberta Heritage Savings Trust Fund)	31,314,557	28,665,245
Insurance-related funds	13,869,792	12,909,273
Other Government Ministry investment funds	188,359	180,172
	$ 180,813,915	$ 165,792,171

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 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.

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

As at March 31, *(Thousands of Canadian dollars)*	**2025**	**2024**
Fixed income		
Fixed income	$ 38,209,109	$ 31,157,683
Private mortgages	6,248,127	5,794,244
Private debt and loan	8,349,704	6,752,889
Inflation sensitive		
Real estate	22,287,883	21,452,876
Infrastructure and renewable resources	27,582,241	25,124,296
Real return bonds and commodities	1,180,216	1,131,461
Equities		
Public equities and absolute return strategies	61,854,632	60,701,452
Private equity and venture capital	14,853,795	13,497,306
Overlays	263,401	180,333
Client Directed Trades	(15,193)	(369)
	$ 180,813,915	$ 165,792,171

Pursuant to the Ministerial Order no. 23/2008, the Corporation has made available a facility to access up to a maximum of $200 million for letters of credit. This facility is utilized by the investment pools and at March 31, 2025 the balance outstanding against the facility was $78,588 (2024: $39,666).

Pursuant to the Ministerial Order no. 30/2022, the Corporation has entered into on behalf of its clients a revolving credit facility to access up to a maximum of $2 billion and is interest bearing at prime less 50 basis points or adjusted Canadian Overnight Repo Rate Average (CORRA) plus 45 to 65 basis points for the aggregate outstanding balance. Adjusted CORRA is CORRA plus 30 to 32 basis points. This credit facility is utilized by the investment pools for the purposes of liquidity management and the outstanding balance and interest expense on the facility are included within the assets under administration. As at March 31, 2025, the outstanding balance against the facility was $nil (2024: $nil) and excluded from AIMCo's Consolidated Statement of Financial Position.

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.

During the year ended March 31, 2025 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.

The Corporation'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)*	**2025**	**2024**
Revenues		
Direct cost recoveries [1]	$ 154,812	$ 158,511
Indirect cost recoveries [1]	106,350	94,424
Interest income	2,264	2,625
	263,426	255,560
Expenses		
Interest on advance from the Province of Alberta	25	44
Contracted services [2]	288	276
	313	320
Assets		
Accounts receivable [1]	13,198	10,706
Liabilities		
Accounts payable	40	242
Advance from the Province of Alberta	25,000	25,000
	$ 25,040	$ 25,242

1. Recovered from government funds, pension plans and other entities under common control. Also included are recoveries from the Ministry of Treasury Board and Finance.
2. Transacted with the Ministry of Treasury Board and Finance and other entities.

NOTE 14
SALARIES AND BENEFITS DISCLOSURE

The Corporation has included certain required disclosures in the Compensation Discussion & Analysis section of the 2024 Annual Report relating to the Board of Directors' compensation and an audited compensation section relating to executive and key management personnel compensation.

NOTE 15
CONTRACTUAL RIGHTS

Contractual rights of $2,511 (2024: $3,016) are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future. The Corporation has entered into subleasing agreements, where revenue will be earned annually by subleasing office space to tenants for the life of the sublease. Estimated revenues for each of the next five years and thereafter are as follows.

As at March 31, *(Thousands of Canadian dollars)*	**2025**
2026	$ 698
2027	698
2028	698
2029	417
2030	-
Thereafter	-
Total	$ 2,511

NOTE 16
CONTRACTUAL OBLIGATIONS

Contractual obligations of $253,032 (2024: $224,197) 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. During the year, AIMCo made the decision to close two offices, resulting in the termination of one office lease for a payment of $2,246 and the provision of lease payments on the other office lease of $3,184. These costs were recorded in rent for the year ended March 31, 2025.

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)*	**2025**
2026	$ 81,422
2027	51,650
2028	28,208
2029	25,047
2030	14,926
Thereafter	51,779
Total	$ 253,032

NOTE 17
CONTINGENT LIABILITIES

Certain clients have commenced arbitration proceedings against AIMCo and the Province of Alberta in 2022, alleging that AIMCo breached Investment Management Agreements in connection with portfolio investment losses incurred from a volatility trading strategy in calendar 2020. The aggregate of damages sought is $1,333,500, plus interest and costs. The outcome of the arbitration and any potential liability is not determinable at this time. AIMCo continues to defend these claims vigorously.

NOTE 18
2025 BUDGET

The Corporation's budget for the year ended March 31, 2025 was approved by the Board of Directors in the amount of $1,114,862 on December 8, 2023.

NOTE 19
FINANCIAL RISK MANAGEMENT

The Corporation has minimal exposure to credit risk, liquidity risk and foreign exchange risk due to the nature of its 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 its clients are established organizations that have a proven history of payment.

As at March 31, 2025, 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 its clients on a cost-recovery basis.

Liquidity risk exposure is managed through regular recovery of all operating costs on a monthly basis and available funds from the advance from the Province of Alberta. In the event additional funding is needed, the Board of Directors may approve recoveries greater than costs to maintain or increase the Corporation's general reserve.

c) Foreign Exchange Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The fair value of investments denominated in foreign currencies are 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.

d) Interest Rate Risk

The Corporation is exposed to interest rate risk from the advance from the Province of Alberta. The sensitivity of the Corporation's expenses due to a 1% change in interest rates is $250 (2024: $250).

NOTE 20
APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors on May 30, 2025.

About Us

AIMCo is one of Canada's largest and most diversified institutional investment managers with more than C$179.6 billion of assets under management as at December 31, 2024. AIMCo invests globally on behalf of pension, endowment, insurance, and government funds in the Province of Alberta. With offices in Edmonton, Calgary, Toronto, London, and Luxembourg, our more than 200 investment professionals bring deep expertise in a range of sectors, geographies, and industries.