2023 ANNUAL REPORT

Building Tomorrow, Today

AIMCo

A thoughtful strategy creates the foundation for long-term success. AIMCo emerged from 2023 with renewed plans for managing clients' investment portfolios and a clear vision of what it will take to fulfill our purpose.

We delivered solid investment returns amid complex market conditions while elevating our service to clients.

With global expansion and strengthened expertise, together we are building tomorrow, today.

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2023 Highlights

For the year ended December 31, 2023

$160.6B Assets Under Management

Long-Term Investment Performance

5.3%

Balanced Fund Four-Year Net Annualized Rate of Return

7.3%

Balanced Fund Ten-Year Net Annualized Rate of Return

$62.2B

Balanced Fund Ten-Year Net Investment Return

2023 Investment Performance

8.0%

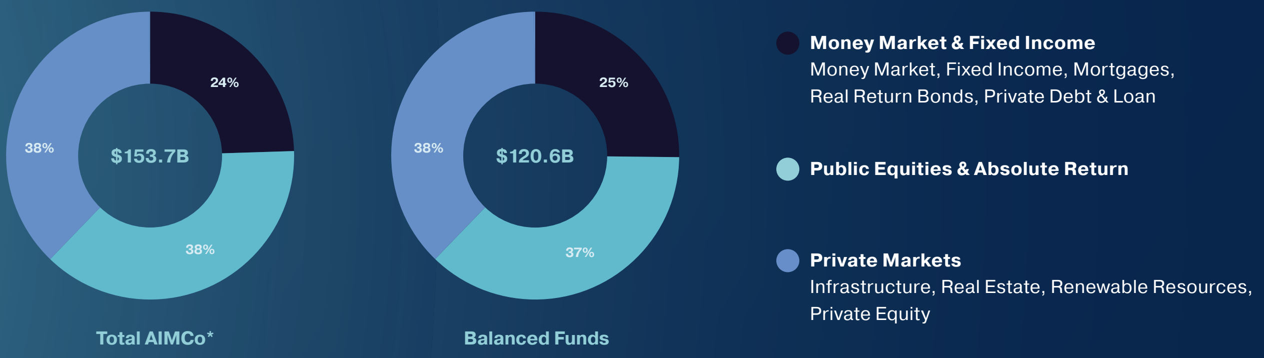
Balanced Fund Net Investment Rate of Return

6.9%

Total AIMCo Net Investment Rate of Return

Asset Mix

As of December 31, 2023



* Total AIMCo Fund calculations do not include $6.9 billion of assets that do not meet the required conditions for inclusion in AIMCo's excess returns as of December 31, 2023.

2023 Global Asset Mix

AIMCo invests globally to ensure the long-term prosperity and financial security of our clients and the Albertans they serve. We are a made-in-Alberta entity with the scale, independence and expertise to serve all who rely on us.

Our Purpose

We help our clients secure a better financial future for the Albertans they serve.

Message from the Chair

"I am heartened to see the foundation of the organization strengthened."

Ken Kroner
Vice Chair, Board of Directors

Building an organization with the strength to withstand the uncertain demands of the future requires patience and strategic thinking. When I reflect upon the past year at the Alberta Investment Management Corporation, I am heartened to see the foundation of the organization strengthened. The introduction of a 5-year Corporate Plan, new Investment and People Strategies, and the kickoff of a Business Transformation initiative were critical milestones. These were heavy lifts — completed collaboratively and centred firmly around the needs of AIMCo's clients and the Albertans they serve.

After the challenging conditions of 2022, there was some relief for investors in 2023 with returns once again in positive territory, despite volatile geopolitical and inflationary pressures. Importantly, AIMCo's long-term investment returns remain above investment benchmarks, bolstered by strong risk management practices.

After being appointed Vice Chair in December, I assumed the responsibilities of Board Chair when Mark Wiseman stepped down at the end of 2023. The Board and I extend our gratitude to Mr. Wiseman for his exceptional leadership and commitment to evolving AIMCo during his incredibly impactful three-year term. This April, we said farewell to board members Sharon Sallows and Tom Woods, who served for six and nine years, respectively. The pair made immeasurable contributions to AIMCo, for which the Board and I thank them. With departures come new arrivals and we are pleased to welcome our newest members Jason Montemurro and Joel Hunter.

Much of the work done by a Board of Directors is low profile, as it should be. However, in November, the Governance Professionals of Canada delivered an esteemed recognition, granting AIMCo an Excellence in Governance Award. The recognition acknowledged the collaborative work of the Board, Management and AIMCo colleagues on a Governance Framework Review that resulted in revisions to our Board Mandate and the Terms of Reference for each Board Committee. I am incredibly proud to see such recognition for the collective efforts of so many.

Looking ahead, the Board is keen to monitor the implementation of the strategic efforts rooted in 2023. The Board's duty to the people of Alberta who rely on the work of AIMCo is paramount in the execution of our responsibilities.

Ken Kroner
Vice Chair, Board of Directors

Message from the CEO

The last year saw AIMCo spread its wings globally, opening offices in Singapore and New York while expanding our Toronto and Calgary offices. We remain an Edmonton-headquartered enterprise, close to our clients, and our expansion supports improved talent acquisition, a revamped Investment Strategy targeting broader geographic diversification, and strengthening of our strategic partnerships. The ‘A’ in AIMCo has never held greater significance for us.

It was a critical time to take a hard look at our asset class strategies and align on where and how we will focus our energy in our quest to deliver persistent, superior risk-adjusted net investment returns for our clients. Public markets bounced back from the lows of 2022 despite what felt like non-stop geopolitical crises. Private markets were muted by high inflation and interest rates.

Against that backdrop, delivering an 8.0% Balanced Fund investment return, or $8.9 billion, was a notable accomplishment. Longer term, which is where our team focuses, the numbers remain strong. The 10-year Balanced Fund return is 7.3%, outperforming the 6.9% investment benchmark. The Investment Performance section of this report offers a detailed breakdown of our asset class returns, including commentary from the teams managing the various globally diversified portfolios on behalf of our clients.

After several key additions in 2022, our leadership team was further strengthened by

“The ‘A’ in AIMCo has never held greater significance for us.”

Evan Siddall
Chief Executive Officer

the arrivals of Kevin Bong, Chief Investment Strategist and Head of Singapore and Shelley Nixon, Chief Legal Officer. The broader AIMCo team grew by 17% and we are pleased to welcome the incredible professionals who have chosen to make our purpose theirs — to help our clients secure a better financial future for the Albertans they serve.

It was an incredible year for connections as we returned to some of the face-to-face activities that had been put on hold for some time. Inviting clients on a tour of Cando Rail, an asset in their Infrastructure portfolios with an Alberta terminal, was a highlight, as was the Investment Symposium, which brought the world's best partners and insights to Edmonton in the fall. The entire AIMCo team was reunited in the Alberta capital in April for a special event promoting learning and client centricity that felt rather like an inflection point for the company.

An additional point of pride was our first recognition as one of Canada's Top Employers for Young People, signalling a new energy. Add that to our tenth appearance on the list of Alberta's Top Employers and you will get some idea of the sustaining culture at AIMCo.

While the title of this report — Building Tomorrow, Today — perfectly captures the long-term view we take on investments, it is highly relevant to the Business Transformation initiative now underway. As we continue to make progress in building trust with our clients, our efforts now expand from building relationships to improving our capabilities through operational simplicity and streamlined processes. We continue to work hard to earn our clients' trust every day.

This Business Transformation is an ambitious undertaking that will pay off for our clients and position us as a leading investor in Canada, which is what we owe our clients, and the Albertans they serve.

Evan Siddall
Chief Executive Officer

Our Clients

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.

Pension Plans

AIMCo manages the investments for Alberta public sector pension plans representing hundreds of thousands of Albertans. Collectively, these plans account for $118.4 billion of AIMCo's assets under management. We work closely with each pension plan to understand their investment policy objectives and to determine an investment approach that is appropriate for their needs.

Endowment Funds

AIMCo manages the investments for several endowment funds, including the Alberta Heritage Savings Trust Fund, seen as a pioneer among sovereign wealth funds. These funds have long time horizons and have been established to provide long-term savings, as well as financing, for medical research, academic scholarships, science and engineering. These assets account for $27.3 billion of AIMCo's assets under management.

Government Funds

AIMCo manages many key government assets used to fund the ongoing operations of the Province of Alberta. These funds have a lower risk tolerance to market fluctuations, reduced risk tolerance relative to most clients and amount to $425 million of AIMCo's assets under management. They are primarily invested in fixed income products for stability, liquidity and preservation of capital and have a commensurately lower return expectation.

Insurance Funds

AIMCo manages the investments for several insurance-related funds on behalf of provincial arms-length organizations including, Workers' Compensation Board – Alberta, Credit Union Deposit Guarantee Corporation and Agricultural Financial Services Corporation. These funds amount to $12.9 billion of AIMCo's assets under management and are invested with an emphasis on stability and preservation of capital.

Specialty Funds

AIMCo manages the assets for select specialty funds, including some provincial arms-length organizations, which have unique objectives. In total, these funds represent $1.6 billion of assets under management at AIMCo. Each of these funds aims to achieve a very specific mandate and we work closely with them to understand their needs and execute accordingly.

Assets Under Management

By client type for the year ended December 31, 2023

	Market Value ($Millions)	Asset Class[1]		
		Money Market & Fixed Income	Equities & Absolute Return	Private Markets
Pension Plans				
Local Authorities	63,196	28%	34%	38%
Alberta Teachers' Retirement Fund[2]	23,016	22%	56%	22%
Public Service	18,430	21%	46%	33%
Management Employees	6,497	22%	38%	40%
Special Forces	4,192	32%	36%	32%
Universities Academic	2,390	28%	0%	72%
Provincial Judges and Application Judges Unregistered	263	42%	37%	21%
Management Employees Supplementary	198	32%	47%	21%
Provincial Judges and Application Judges Registered	178	34%	39%	27%
Endowment Funds				
Alberta Heritage Savings Trust	22,074	22%	37%	41%
Alberta Heritage Foundation for Medical Research	2,359	19%	42%	39%
Alberta Heritage Scholarship	1,551	18%	40%	42%
Alberta Heritage Science & Engineering Research	1,356	18%	40%	42%
Government Funds				
Long Term Disability Bargaining Unit	239	47%	35%	18%
Unclaimed Property Fund and Vested Property Fund	141	100%	0%	0%
Long Term Disability Management	42	46%	32%	22%
Alberta Risk Management Fund	2	100%	0%	0%
A.L.Sifton Estate	1	100%	0%	0%
Insurance Funds				
Workers' Compensation Board – Alberta	12,492	30%	35%	35%
Credit Union Deposit Guarantee Corporation	421	100%	0%	0%
Agriculture Financial Services Corporation[3]	0	100%	0%	0%
Specialty Funds				
Alberta Health Services	1,547	79%	18%	3%
Special Areas Long Term Account	34	100%	0%	0%
AIMCo Supplementary Retirement Plan	2	45%	55%	0%

1. Asset class weights are per AIMCo's categorization criteria.
2. Does not include portfolio construction market value of $58 million in asset mix calculation.
3. The fund's balance has been utilized as intended for the purposes of meeting Alberta producer indemnity claims primarily resulting from recent drought conditions. Contributions going forward will be funded by future insurance premiums collected in excess of indemnities paid.

Investment Performance

CIO Q&A

"As always, we remain committed to our investment objective — delivering persistent, superior risk-adjusted net total returns for our clients, as defined by their needs.

Dr. Marlene Puffer
Chief Investment Officer

How did 2023 play out for investors?

We saw public markets recover after a difficult 2022, driven by the performance of what's known as the Magnificent 7 stocks: Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. These companies collectively drove most of the market's gains as investors flocked to the stocks driving the artificial intelligence boom. Bond markets also had a strong year as longer-term bond yields began to anticipate easier monetary policy.

Progress on dampening global inflation was a notable trend. We came into the year with inflation running at 6.5% in the U.S. and by the end of the year, central bankers managed to push inflation down to 3.4%, while keeping unemployment rates in check. Inflation was a bit stickier in Canada, but still began a downward trend.

Investors monitored the impact of geopolitical events including the Silicon Valley Bank failure, the rescue of Credit Suisse, a government debt impasse in the U.S., China's military actions with Taiwan, the ongoing Russia-Ukraine war and the Hamas-Israel conflict. While there was plenty to keep an eye on from a risk perspective, overall, markets were resilient. Particularly in the last two months of 2023, equity market performance broadened beyond the core technology stocks as economic growth and market sentiment responded well to easing inflation and the potential rate cuts signaled by the U.S. Federal Reserve.

What were the highlights, from an investment performance perspective?

It was an achievement to deliver a Balanced Fund net investment return of 8.0% despite turbulent macroeconomic and geopolitical conditions. The year underscored the importance of a portfolio that is well-diversified across asset classes. Public markets delivered robust results helping to offset some of the challenges in certain private markets.

Clients' Money Market & Fixed Income portfolios benefited from active management in a strong bond market, with a 7.7% return, outperforming the benchmark. Public Equities delivered a double-digit return of 15.8% and the core Private Equity portfolio returned a sturdy 11.0%.

With a 9.6% return, Private Debt & Loan benefited from the higher interest rate environment, delivering its best rate of return since inception in 2010.

What areas were challenging?

Lower valuations of many private assets reflected the higher-for-longer interest rate and inflationary environment. For example, clients' Real Estate portfolios felt the impact of what has been characterized as the worst year for real estate since 2009. With the office sector remaining under stress, the team is focused on portfolio management and remains optimistic about sectors such as industrial and for-rent housing.

How are you approaching the evolution of the global energy sector from an investment perspective?

We see this rapidly evolving area as a source of attractive investment opportunities. We are in a more flexible position compared to some investors, who have aggressive net-zero carbon targets. Such investors may find themselves having to offload higher emitting assets to reach the targets while we are able to invest in those assets, support them through lowering their carbon emissions where warranted, aiming to reap the rewards of doing so.

Our clients have allocated capital to a new Energy Opportunities Pool that offers exposure to initiatives like industrial decarbonization, renewable fuels, low-carbon energy production and more while continuing to evolve strategies in traditional and renewable energy within other asset classes.

What are your priorities for 2024?

Investment team members rolled up their sleeves in 2023, building out the individual asset class strategies to align with the new Investment Strategy. We are looking forward to fully activating these strategies. That means focusing on total portfolio management (such as capital allocation across asset classes, tactical and dynamic asset allocation, currency, cash and collateral management and centralized trading). The Business Transformation program will support many of these initiatives. In addition, we are broadening our geographic footprint and strengthening our investment partnerships, facilitated by the new offices in Singapore and New York.

As always, we remain committed to our investment objective — delivering persistent, superior risk-adjusted net total returns for our clients, as defined by their needs.

2023 Investment Performance

7.3%
Balanced Fund Ten-Year Net Annualized Rate of Return

0.4%
Balanced Fund Ten-Year Net Annualized Excess Return

$62.2B
Balanced Fund Ten-Year Net Investment Return

5.3%
Balanced Fund Four-Year Net Annualized Rate of Return

0.3%
Balanced Fund Four-Year Net Annualized Excess Return

8.0%
Balanced Fund 2023 Net Investment Rate of Return

The Balanced Fund is a composite of client accounts that invest in the three main asset class categories of Money Market & Fixed Income, Public Equities & Absolute Return, and Private Markets. These clients mandate AIMCo to combine asset allocation and active investment management to seek higher returns. Diversification plays an important role in maintaining a level of portfolio risk that is appropriate to the client as these funds can invest in a wider set of investment opportunities.

The AIMCo Total fund reflects the aggregate of all client accounts, including clients who exclusively choose fixed income and money market investments to achieve their objectives.

Asset Class Performance

For the year ended December 31, 2023

Asset Class	Market Value ($millions)	Annualized Net Returns (%)					Calendar Year Net Returns (%)				
		1 yr	2 yr	3 yr	4 yr	5 yr	2023	2022	2021	2020	2019
Total AIMCo Fund Aggregate[1]	**$153,712**	**6.9**	**1.6**	**5.8**	**5.0**	**6.1**	**6.9**	**(3.4)**	**14.7**	**2.5**	**10.6**
Benchmark		8.7	1.5	3.6	4.7	5.9	8.7	(5.3)	8.0	8.0	11.1
Balanced Funds Aggregate	**$120,577**	8.0	1.5	6.2	5.3	6.6	8.0	(4.6)	16.2	2.6	11.8
Benchmark		9.3	1.3	3.8	5.0	6.5	9.3	(6.1)	8.9	8.9	12.5
Money Market & Fixed Income[2]	**$37,656**	**7.7**	**(0.5)**	**(0.7)**	**1.3**	**2.3**	**7.7**	**(8.1)**	**(1.1)**	**7.8**	**6.2**
Benchmark		7.6	(1.1)	(1.5)	0.6	1.7	7.6	(9.2)	(2.2)	7.3	5.9
Money Market & Fixed Income-Public	**$25,559**	7.9	(1.7)				7.9	(10.5)			
Benchmark		7.0	(2.3)				7.0	(10.8)			
Money Market[3]	**$1,795**	4.9	3.3	2.3	2.0	2.0	4.9	1.7	0.2	1.2	1.9
Benchmark		4.8	3.2	2.2	1.9	1.8	4.8	1.7	0.2	0.9	1.6
Universe Bonds	**$14,817**	7.8	(2.5)	(2.5)	0.5	1.9	7.8	(11.8)	(2.3)	9.9	7.8
Benchmark		6.7	(2.9)	(2.8)	(0.0)	1.3	6.7	(11.7)	(2.5)	8.7	6.9
Fixed Income Long-Term	**$7,412**	9.7	(8.1)	(7.0)	(2.4)	0.5	9.7	(23.0)	(4.8)	13.0	12.8
Benchmark		8.8	(8.3)	(7.2)	(2.7)	0.1	8.8	(22.6)	(5.1)	12.1	12.2
Real Return Bonds	**$1,152**	2.4	(6.3)	(3.7)	0.4	1.9	2.4	(14.2)	1.7	13.7	8.3
Benchmark		2.0	(6.5)	(3.8)	0.1	1.7	2.0	(14.3)	1.8	13.0	8.0
Segregated Assets - Long Term	**$383**	5.7	0.1	(0.3)	1.1	1.5	5.7	(5.1)	(1.2)	5.6	3.2
Benchmark		5.0	(0.0)	(0.4)	0.9	1.2	5.0	(4.8)	(1.2)	5.1	2.5
Mortgages	**$5,445**	4.5	(0.3)	0.2	2.4	3.1	4.5	(5.0)	1.2	9.4	6.0
Benchmark		6.0	(0.2)	(0.5)	1.7	2.7	6.0	(6.1)	(1.1)	8.7	6.9
Private Debt and Loan	**$6,652**	9.6	7.9	8.1	7.5	6.9	9.6	6.2	8.5	5.9	4.4
Benchmark		11.8	5.7	3.4	3.9	3.7	11.8	(0.1)	(0.9)	5.3	3.1
Public Equities & Absolute Return[2]	**$57,972**	**15.8**	**2.1**	**8.7**	**7.5**	**9.6**	**15.8**	**(10.0)**	**23.4**	**3.7**	**18.5**
Benchmark		15.9	1.7	6.9	8.2	10.5	15.9	(10.6)	18.1	12.2	20.3
Public Equities	**$55,017**	16.1	2.2	8.8	7.5	9.6	16.1	(10.0)	23.4	3.7	18.5
Benchmark		16.1	1.9	7.0	8.3	10.6	16.1	(10.6)	18.1	12.2	20.3
Canadian Equity	**$11,067**	11.7	3.0	11.4	7.5	10.1	11.7	(5.1)	30.5	(3.4)	20.8
Benchmark		11.8	2.6	9.6	8.6	11.3	11.8	(5.8)	25.1	5.6	22.9
Global Equity	**$32,379**	20.5	3.4	10.5	9.2	11.3	20.5	(11.4)	26.2	5.6	20.2
Benchmark		20.5	2.8	8.5	9.8	12.0	20.5	(12.2)	20.8	13.9	21.2
Global Minimum Variance[4]	**$4**	15.0	5.9	8.9	7.0	7.5	15.0	(2.4)	15.1	1.5	9.4
Benchmark		(0.5)	(1.6)	3.2	2.4	5.1	(0.5)	(2.7)	13.5	0.1	16.6
Emerging Market Equity	**$8,104**	7.7	(4.2)	(2.5)	(0.2)	1.9	7.7	(14.7)	1.0	7.0	10.6
Benchmark		6.9	(4.3)	(4.0)	0.7	3.0	6.9	(14.3)	(3.4)	16.2	12.4
Global Small Cap Equity	**$3,464**	12.9	2.0	8.5	7.6	9.4	12.9	(7.8)	22.8	4.8	17.2
Benchmark		12.7	(0.9)	4.1	6.4	9.0	12.7	(12.9)	14.8	13.9	19.8
Absolute Return[5]	**$2,956**	4.2					4.2				
Benchmark		4.2					4.2				
Private Equities[6]	**$12,983**	**6.7**	**3.5**	**21.8**	**18.0**	**15.0**	**6.7**	**0.5**	**68.5**	**7.2**	**3.8**
Benchmark		10.1	7.1	7.7	7.8	7.9	10.1	4.2	8.8	8.1	8.2
Real Estate	**$21,531**	**(8.4)**	**(2.1)**	**3.1**	**(1.3)**	**(0.3)**	**(8.4)**	**4.6**	**14.5**	**(13.6)**	**4.0**
Benchmark		(3.6)	(0.9)	1.9	0.7	1.5	(3.6)	1.8	7.8	(2.6)	4.7
Infrastructure	**$19,764**	**3.8**	**10.1**	**13.0**	**8.6**	**8.4**	**3.8**	**16.8**	**19.0**	**(3.5)**	**7.4**
Benchmark		8.0	8.1	7.7	7.3	7.1	8.0	8.2	6.8	6.1	6.2
Renewable Resources	**$3,415**	**1.6**	**13.0**	**13.7**	**8.4**	**9.9**	**1.6**	**25.7**	**15.0**	**(6.0)**	**16.1**
Benchmark		8.0	7.9	7.5	7.2	7.0	8.0	7.7	6.8	6.1	6.2
AIMCo Strategic Opportunities Pool	**$231**	**15.0**	**(4.8)**	**(4.2)**	**(3.7)**	**0.7**	**15.0**	**(21.3)**	**(2.9)**	**(2.0)**	**20.3**
Benchmark		20.5	2.8	8.5	9.8	12.0	20.5	(12.2)	20.8	13.9	21.2

AIMCo uses a time-weighted rate of return methodology to calculate rates of return. The returns are calculated daily and then geometrically linked to determine the annual returns. Returns are presented net of costs and fees.

1. Total AIMCo Fund calculations do not include $6.9 billion of assets that do not meet the required conditions for inclusion in AIMCo's excess returns as of December 31, 2023.
2. Market Value does not include Tactical & Overlay Program notional exposures.
3. Market Value does not include cash held by AIMCo investment pools.
4. Global Minimum Variance allocation weight is zero, therefore benchmark return is reported up to and including March 13, 2023.
5. Absolute Return inception date is June 1, 2023.
6. Private Equities include Core Private Equities, Alberta Teachers' Retirement Fund Private Equity, Relationship Investing and Venture Capital.

Performance Benchmarks

For the year ended December 31, 2023

Money Market and Fixed Income	*Composite benchmark of AIMCo products included in the asset class*
Money Market	FTSE Canada 30-Day T-bill Index
Universe Bonds	FTSE Canada Universe Bond Total Return Index
Long-Term Bonds	FTSE Canada Long-Term All Government Bond Total Return Index
Mortgages	60% FTSE Canada Short-term Bond + 40% FTSE Canada Mid-term + 50 bps
Real Return Bonds	FTSE Canada Real Return Bond Total Return Index
Private Debt and Loan	40% S&P/LSTA Leveraged Loan Index + 40% S&P European Leveraged Loan Index + 0.90% (CAD hedged)
Segregated Assets - Long Term	FTSE Canada 91-Day T-bill Index, FTSE Canada Short-term Government Index, FTSE Canada Mid-term Government Index

Equities	*Composite benchmark of AIMCo products included in the asset class*
Absolute Return[1]	FTSE Canada 91-Day T-bill Index + 250 bps
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

Private Markets	*Composite benchmark of AIMCo products included in the asset class*
Private Equity	Total CPI 1 Month Lagged + 650 bps (5-year rolling average)
Private Equity, ATRF	MSCI World 2M Lag with current FX + 200 bps
Real Estate, Canadian	MSCI REALpac/IPD Canadian All Property Index – Large Institutional Subset
Real Estate, Foreign	MSCI Global Region Property Index
Real Estate, ATRF	30% MSCI REALpac Canadian Large + 70% MSCI Global Region Property Index (hedged to CAD)
Infrastructure	Total CPI 1 Month Lagged + 450 bps (5-year rolling average)
Infrastructure, ATRF	Reporting Month CPI+ 450 bps
Renewable Resources	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. Absolute Return benchmark was added as of June 1, 2023.

Public Equities & Absolute Return

7.5%
Four-Year Net Annualized Return

$58.0B
Market Value

15.8%
Net Return

15.9%
Benchmark Return

(0.1)%
Excess Return

Purpose

The Public Equities team manages $58 billion in public equities assets across a suite of products covering domestic, global developed, and emerging market portfolios. The underlying strategies that make up the Public Equities portfolio are optimized allocations across several dimensions, including factor, sector, market capitalization, and regional exposures as required by the products that clients allocate capital to. Internally managed investments include Systematic, Absolute Return, and Fundamental Active strategies. Externally managed investments include Long-only Equity and Absolute Return strategies that are employed in areas where internal management does not offer both a competitive and cost advantage.

Results

In 2023, global equity markets displayed impressive resilience amid a vortex of economic complexity. For much of the year, investors were vexed by the implications of persistent inflationary signals; the prospect of 'higher for longer' interest rates, restrictive credit access, and indeed recession calls initially dominated debate as we entered 2023. Yet despite hawkish central bank activity focused on restoring price stability, a U.S. regional banking crisis that began in the spring and periodically threatened to spread further, and increasing geopolitical tensions on multiple continents, equities globally demonstrated strength and durability, with many markets showing double-digit returns for the full year. Much of this resilience can be attributed to market enthusiasm surrounding the promise of artificial intelligence, and more specifically, actual versus perceived stock market beneficiaries. Buoyant investor risk appetite was most evident in the market leadership of several mega capitalization U.S. information technology companies, which drove many global stock markets to pre-COVID highs and in some cases, to new all-time levels. By year end, a consequence was the narrowest market breadth witnessed in several decades (i.e. the number of stocks advancing versus declining within an index). It is our expectation such market concentration will revert to the mean, which portents for a more diverse array of return streams from active management for the foreseeable future.

The Canadian Equities Master Pool returned 11.7% while the Global Equity Master Pool returned 20.4%. The Emerging Markets Master Pool generated a return of 7.7%, weighed down by largely negative performance from China. Lastly, the Global Equity Small Cap Pool returned 12.9% and the Absolute Return Pool returned 4.2%. The Public Equities and Absolute Return products collectively underperformed their respective benchmarks by 0.1%. Global Equities was the largest detractor to overall value add over the year, while Emerging Markets contributed the most.

Across AIMCo's strategies, both Fundamental and Systematic performed well. Across the Fundamental mandate, stock selection drove performance. Emerging Market exposure drove relative performance across the Systematic strategies, mainly due to underweight positions across China.

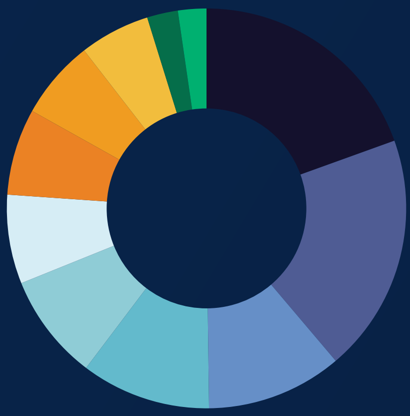
Looking Ahead

U.S. economic resilience, and that witnessed in several other key developed markets, ultimately contributes to our positive global outlook for 2024. However, as evidenced by investor reaction to periodic market shocks over the past year, uncertainties are abundant, and risk tolerance can shift dynamically.

Of note, several factors are expected to test market sentiment into 2024, including conflicts in Ukraine and the Middle East, as well as continued uncertainty surrounding the future path of interest rates given mixed messaging from the leading central banks.

Additionally, investors are anticipated to closely monitor the results of forthcoming elections this year, with almost 49% of the world's population going to the ballot across more than 60 countries. Although we expect interest rates to normalize at levels higher than experienced over the past three decades, equity markets have, in many cases, pulled forward the impact of future rate cuts by pushing asset values to new highs. We believe that caution is advised, and our strategic response to these factors involves sensible and effective allocation of capital across a varied spectrum of risk-adjusted investment opportunities.

Investment by Sector



Information Technology	**19.5%**
Financials	**19.3%**
Industrials	**11.0%**
Consumer Discretionary	**10.5%**
Health Care	**8.6%**
Telecommunication Services	**7.2%**
Energy	**7.0%**
Consumer Staples	**6.4%**
Materials	**5.7%**
Utilities	**2.5%**
Real Estate	**2.3%**

Money Market & Fixed Income

1.3%
Four-Year Net Annualized Return

$37.7B
Market Value

7.7%
Net Return

7.6%
Benchmark Return

0.1%
Excess Return

Purpose

The objective of the Fixed Income portfolios is to provide our clients with capital preservation, liquidity, diversification, liability hedging, and superior, risk-controlled returns relative to a benchmark. We actively manage and add value to the portfolios in four principal ways:

1. Anticipating interest rates and positioning duration accordingly
2. Anticipating the term structure of interest rates
3. Active investment in various credit sectors, both public and private markets
4. Active individual security selection

The team manages portfolios with global investments seeking diversified return and manages risk through prudent duration, curve, sector, geographic, issuer, and structural selection.

Results

Money Market

The Money Market Pool (MMP) completed its first full year of operation after its inception in October 2022. MMP is managed to provide daily liquidity while aiming to add value over the benchmark. The fund holds primarily short-term securities issued by the Government of Canada, provincial governments, large Canadian banks and investment grade corporations. Money market rates increased over the year with the Bank of Canada raising the target overnight rate 3 times by 0.25% each time, ending at 5.0% for the year. The increase in interest rates and tightening of credit spreads resulted in MMP achieving some excess return for the year. MMP outperformed its benchmark by 0.1% and returned 4.9% for the calendar year end.

Public Fixed Income

Fixed income markets rebounded from poor results in 2022 to produce solid returns in 2023. Returns were negative through most of the year, as central banks continued to hike interest rates to combat stubborn inflation. By early autumn, this resulted in a back up in bond yields to cycle highs. The announcement of unexpectedly large borrowing requirements in the U.S. also provided an extra boost to real yields around this time. As Q4 progressed, the U.S. Federal Reserve signalled an end to its tightening campaign, prompting a dramatic plunge in bond yields across most developed economies. This occurred despite continued solid economic growth, further delaying the onset of the long-predicted recession. This favourable macroeconomic mix resulted in a significant tightening of credit spreads as the year ended.

The Universe Bond portfolio returned 7.8% for the year, including an excess return of 1.1%. The Long Bond portfolio returned 9.7%, including an excess return of 0.9%. Excess returns for both portfolios were helped by favourable duration positioning, tighter credit spreads, outperformance in pockets of the credit market and a rebound in performance for the interest rate relative value portfolio. Excess returns over the 4-year period remained solidly positive.

The portfolios were lightly positioned in credit to begin the year, reflecting the poor macroeconomic environment and the subsequent bank failures in the U.S. in Q1. With credit spreads showing value entering the summer the exposure to corporate credit was increased. This resulted in the primary tailwind for excess returns for 2023.

Real Return Bonds

Real Return Bonds had a more modest rebound in performance for 2023 compared to nominal bonds. The pool returned 2.4% as the solid realized inflation returns were partly offset by the rise in real yields which occurred in most maturities over the course of the year. Activity in the Real Return Bond market was very light in Canada over the year, reflecting the announcement of the cessation of new Real Return Bond issuance by Canada's Department of Finance.

Private Debt & Loan

Private Debt & Loan invests in private credit as a higher yielding alternative to public fixed income. The products are typically privately sourced and structured, primarily floating rate debt instrument with lower return volatility.

The portfolio generated a 9.6% net return for the year 2023. The return has been persistent and stable in each of the last four years driven by a diversified, resilient portfolio consisting of primarily senior secured, floating rate loans. Compared with the benchmark, the portfolio underperformed largely due to a strong rally of the leveraged loan indices from the negative return of the previous year.

Private Mortgages

The portfolio provides steady cash flow and premium return over government bonds, aligned with the long-term objectives of our clients. The Mortgages portfolio had a positive absolute return of 4.5% during 2023, underperforming its benchmark by 1.5%.

The absolute return of the portfolio was driven by falling bond yields as the central bank tightening cycle concluded in summer 2023. The underperformance was largely attributable to defaults on three floating rate specialty mortgage investments that were significantly impacted by the central bank tightening cycle. The Mortgages team, in consultation with internal and external advisors, is in the process of maximizing recovery of proceeds.

Looking Ahead

Entering 2024, the public fixed income portfolios were positioned lightly with lower-than-average active risk. Duration positioning remains longer than benchmark with the base case remaining the continuation of the disinflationary theme and continued anticipation of central bank easing of monetary policy from restrictive levels. This cautious positioning will enable the portfolio to be nimble and react to the broader economic, inflationary and market dynamics.

The Private Debt & Loan team will continue building up investment capabilities to service clients' increased allocations to the asset class. This includes building a local team presence in the New York office, focusing on strategic partnerships driving the high-quality deal flow, and investing globally with one integrated team.

The Mortgages group notes significant competition to finance high quality industrial and multifamily assets across markets; however, liquidity remains well below historical levels as many lenders continue to right-size their loan portfolios. This creates ample opportunity to leverage our competitive advantages of speed, size and certainty of execution as we seek to maintain strong risk-adjusted returns in the portfolio.

Real Estate

(1.3)%
Four-Year Net Annualized Return

$21.5B
Market Value

(8.4)%
Net Return

(3.6)%
Benchmark Return

(4.8)%
Excess Return

Purpose

Real estate investments provide clients with exposure to domestic and international opportunities through direct and indirect holdings diversified across property types and geographies.

The domestic portfolio consists primarily of direct investments with joint venture partners in high-quality industrial, retail, office, and multi-unit residential properties in Canada's major cities. The international program invests directly and through joint ventures with local operating and investment partners that comprises investments in the U.K., Europe, U.S., Asia Pacific, and Mexico. AIMCo also participates in niche market sectors through strategic programmatic partnerships and externally managed opportunity funds.

Results

In 2023, AIMCo's domestic real estate portfolio generated a return of -4.6% and ended the year with a net asset value of $12.9 billion, as ongoing higher interest rates and recessionary concerns continued to put pressure on capitalization rates, squeezing liquidity and keeping market transaction volume depressed. The domestic portfolio primarily employs a core strategy of assets that are held long term and comprise direct investments in quality industrial, multi-family, retail and office properties located in Canada's major cities. To a lesser extent, it includes non-core strategies, such as "build-to-core" that includes new construction and renovation value-add projects, which carry varying levels of higher risk and return. The domestic portfolio return was driven by difficult conditions in the industrial and office sector, while retail and residential sectors performed closer in line with the benchmark.

The foreign portfolio generated a return of -10.9% and ended the year with a net asset value of $6.9 billion. Similar to the Canadian market, liquidity and leverage challenged foreign markets and slowed market transactions. The foreign program employs a predominantly non-core approach of opportunistic and value-add strategies. These include development projects and value-add projects that require major renovations and leasing to enhance value. The foreign portfolio return was adversely impacted by office and industrial sectors in the United States, offset somewhat by stronger industrial performance in Europe. A subset of office-oriented fund holdings were re-priced downward at year end, which also had a material impact on returns.

Overall, AIMCo's Real Estate portfolio generated a return of -8.4% for the year, compared to its benchmark of -3.6%. Over 10 years, Canadian Real Estate achieved a rate of return of 4.2%, compared to a benchmark return of 4.4% and Foreign Real Estate achieved a rate of return of 5.8% compared to a benchmark return of 4.7%.

Looking Ahead

The real estate team continues to reposition the domestic and foreign portfolios toward sectors that are experiencing secular and demographic tailwinds. These include traditional sectors such as industrial, multi-family residential, and grocery-anchored retail centers, and also include growing niche sectors like data centres, life science research office buildings, and alternative housing such as single family build-to-rent homes. This repositioning is ongoing and will ultimately drive toward a more resilient real estate portfolio, built to weather market volatility and remain focused on long-term performance.

While 2023 was a challenging year globally for real estate markets, the impact of higher interest rates may begin to slow down. Higher inflation and elevated interest rates impacted real estate pricing, transaction volumes, and financing availability across the asset class, but certain sectors have been impacted more than others. Traditional office and Class B malls may face further downward pressure given weakening demand, but housing remains severely undersupplied in most markets. In sectors where fundamentals have held up, some sellers may face situational capital market challenges, leading to distressed or special situation buying opportunities.

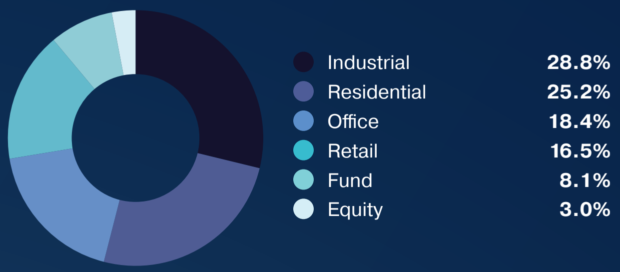
Environmental, social and governance (ESG) considerations continue to be a growing factor in investor and tenant choices. Lower quality or not-rated assets are likely to trade at lower values and may require major capital investment to remain viable versus top-quality assets.

The real estate team will continue to focus on themes such as technological innovation, demand for housing and healthcare. Sectors such as industrial, multi-family, necessity-based retail, life sciences and data centres continue to be part of a sound investment thesis against inflationary and recessionary pressures.

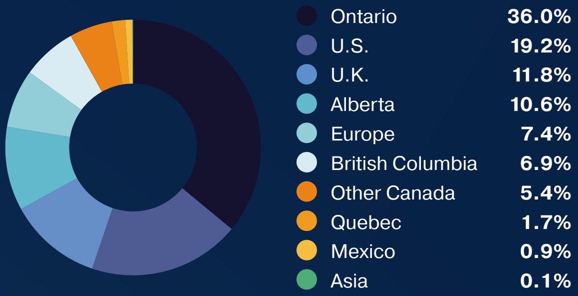
Top 5 Real Estate Holdings

Asset	**Yorkdale Shopping Centre**	**Square One Shopping Centre**	**Scotia Plaza**	**TD Greystone RE Fund**	**Urbacon DC7**
Sector	Retail	Retail	Office	Fund	Industrial
Geography	Toronto	Toronto	Toronto	Canada Diversified	Toronto

Investment by Sector



Investment by Geography



Infrastructure

8.6%
Four-Year Net Annualized Return

$19.8B
Market Value

3.8%
Net Return

8.0%
Benchmark Return

(4.2)%
Excess Return

Purpose

AIMCo infrastructure investments are made in real assets that typically provide an essential service which, over the long term, generate stable, inflation-linked cashflows for our clients. The 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.

Results

In 2023, the market for infrastructure remained relatively quiet. The macroeconomic environment was characterized by sustained and elevated inflation, higher interest rates, and concerns over slower growth, all of which impacted the pace of deal activity and return expectations.

The Infrastructure portfolio generated a positive return in 2023 but trailed the performance of the benchmark. Several investments saw significant valuation increases while other investments continue to be impacted by a slower than expected rebound post COVID and changing market conditions, which resulted in valuation declines. The net result was generally flat performance during the period, which demonstrated the resilience of the portfolio. The top investments that contributed to performance in 2023 were AES Clean Energy, Cando Rail and Terminal Services, Grupo Saesa, and Airtrunk.

On a longer-term basis, the Infrastructure portfolio has provided return in excess of the benchmark. This performance reflects the high-quality assets across targeted sectors and geographies that make up the portfolio.

Looking Ahead

Private investment in infrastructure is expected to remain elevated on a longer-term basis, benefitting from some key trend drivers such as decarbonization, deglobalization and digitalization. In particular, many government policies and corporate objectives continue to be supportive for further investment into infrastructure areas that drive decarbonization goals and the reshoring of various supply chains.

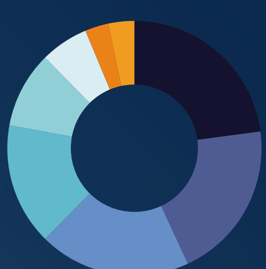
We continue to see investments in real assets, including infrastructure, as a key building block to portfolio allocations to providing potentially attractive returns and diversification benefits. As a result, we expect the demand for inflation-sensitive assets such as infrastructure to remain relatively robust through 2024 and beyond.

Lastly, AIMCo's Infrastructure portfolio is well positioned heading into 2024. A number of the portfolio companies are investigating possible attractive opportunities to capitalize on the many tailwinds benefiting the broader infrastructure asset class.

Top 5 Infrastructure Holdings

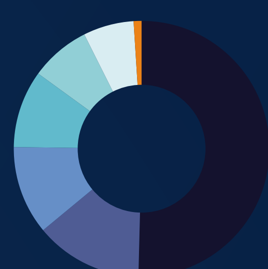
Asset	AES Clean Energy	Howard Energy Partners	Puget Sound Energy	Grupo Saesa	Cando Rail & Terminals
Sector	Renewable Energy	Midstream	Integrated Utilities	Integrated Utilities	Transportation
Geography	U.S.	U.S.	U.S.	Chile	Canada

Investment by Sector



Integrated Utilities	22.9%
Renewable Energy	20.2%
Pipelines & Midstream	19.3%
Transportation	15.5%
Telecommunications	9.7%
Data Centre REITs	6.1%
Water	3.0%
Others	3.3%

Investment by Geography



U.S.	50.4%
South America	13.6%
Australia & New Zealand	11.2%
Canada	9.8%
Europe & U.K.	7.6%
Asia	6.4%
Multi-National	1.0%

Private Equity

17.7%
Four-Year Net Annualized Return

$9.9B
Market Value

11.0%
Net Return

10.0%
Benchmark Return

1.0%
Excess Return

Purpose

AIMCo's Private Equity portfolio is comprised of two primary strategies — Private Equity Fund Investments and Directs & Co-Investments.

The team selectively invests with the world's leading private equity firms and builds deep, lasting relationships with partners. Investments are made across a broad range of sectors including Consumer, Industrials, Business Services, Financial Services, Technology and Healthcare.

Results

The $9.9 billion Core Private Equity* portfolio generated a return of 11.0% in 2023, outperforming the benchmark by 1.0%. The performance of the Private Equity program reflects the benefits of a globally diversified program that is underpinned by committing to proven fund partners and investing alongside them in creating a high-quality co-investment portfolio.

On a longer-term basis, the asset class continues to generate consistent excess return, delivering a 17.7% 4-year annualized net return, 8.5% above benchmark.

The Funds program represents about 64% of the portfolio and invests selectively with some of the world's leading private equity firms. We primarily invest with well-established large and middle-market buyout funds in North America, Europe and Asia; as well as a meaningful growth equity and secondaries program.

* All return information is exclusive of ATRF's segregated account; as well as Relationship Investing and Venture Capital as those are deemed non-core. Information inclusive of that performance is available in the Asset Class Performance Table.

The Directs & Co-Investments strategy, representing 36% 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.

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

Looking Ahead

The global private equity investment landscape in 2023 continued to be characterized by a slower fundraising environment, lower capital deployment and exit activity resulting in fewer distributions. Uncertain financing markets and macro-economic complexity contributed to this dynamic, leading to lower overall activity in private equity.

As we continue into 2024, signs of stability have begun to emerge, as inflation slowed, and interest rates appear to have plateaued for now. Given the elevated level of transaction activity prior to the market downturn of the last 18 months, one of the key themes for Private Equity General Partners (GPs) will be a relentless focus on delivering liquidity to their investors. In addition to seeking traditional exits via IPOs or other sales processes, this is leading to increased creativity and collaboration in deal-making structures, with GPs seeking as many avenues as possible to return capital to Limited Partners (LPs) like AIMCo. In particular, GPs have increasingly embraced the secondary market as a way to monetize stakes in companies that they do not want to exit completely, while still offering liquidity optionality to LPs.

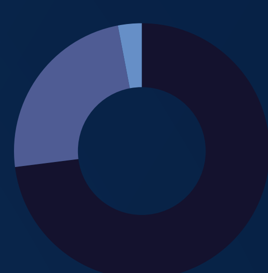
Top 5 Private Equity Holdings

Asset	Fortitude Re	Thoma Bravo XIII	BGIS	New Mountain Partners V	Belron
Sector	Financials	Fund	Business Services	Fund	Industrials
Geography	North America	North America	North America	North America	North America

Investment by Sector

Information Technology	**32%**
Industrials	**13%**
Health Care	**13%**
Business Services	**13%**
Financials	**10%**
Consumer	**10%**
Other	**9%**

Investment by Geography



North America	**73%**
Western Europe	**24%**
Asia	**3%**

Renewable Resources

8.4%
Four-Year Net Annualized Return

$3.4B
Market Value

1.6%
Net Return

8.0%
Benchmark Return

(6.4)%
Excess Return

Purpose

AIMCo's Renewable Resources program encompasses a global portfolio of land-centric, high-quality timberland and agricultural assets that are characterized by their low correlation to traditional asset classes, inflation hedging qualities, and a long-term duration match with client obligations. Renewable resources assets serve to provide capital preservation, current yield, and real asset appreciation. The Renewable Resources program is concentrated in developed market OECD Member countries with an opportunistic view on emerging market exposure. Flexibility is ingrained into the Renewable Resources mandate which allows the team to maximize long-term value by optimizing portfolio assets between timberland, agriculture, and strategic investments along the value chain.

Results

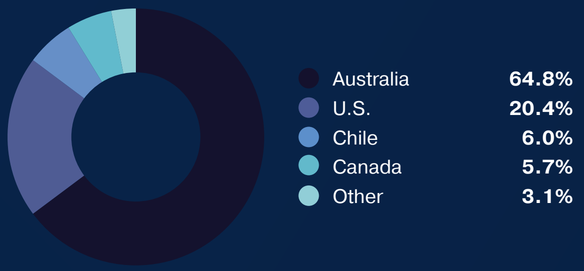
In 2023, the Renewable Resources portfolio return was 1.6%, which while positive, did not exceed the portfolio benchmark. The modest portfolio return was influenced by a mixed result of land prices in Australia, specifically, price appreciation in Lawson Grains and price depreciation in Forest Investment Trust. As evidenced by recent valuations, the Renewable Resources team has observed further bifurcation between high-quality, institutional-grade farmland and lower-quality, individual farmland values. This trend was not consistent across the globe and land price appreciation has remained strong despite the persistently high interest rate environment in other geographies. High input costs, constrained labour markets, El Niño weather conditions, and residual impacts from previous storm events also weighed on portfolio returns.

Despite the modest return achieved in 2023, the Renewable Resources portfolio continues to perform well over the long term and has outperformed the benchmark over four years. Overall investor interest in high-quality timberland and agricultural assets remains high, driven by strong and growing global demand for forest and agricultural products and the continued development of alternative revenue opportunities such as carbon, conservation, and biodiversity credits and partnership opportunities with renewable energy producers.

Looking Ahead

The Renewable Resources team is focused on optimizing the existing portfolio through asset management initiatives focusing on landscape management and the conversion of land assets to their highest and best use. The team will also continue to assess opportunities to enhance portfolio diversification through the acquisition of assets that introduce novel sector and geographic exposures. Renewable resources assets are well placed to play a leading role in the ongoing energy transition, and the Renewable Resources team is taking a proactive, climate-forward approach to target investment opportunities with strong tailwinds and limited climate-related risk.

Investment by Geography



Investment Spotlight

Kimberley Cattle Portfolio

In November 2023, the AIMCo Renewable Resources team entered into agreements to acquire the Kimberley Cattle Portfolio. This large-scale cattle breeding business spans almost three million hectares the Kimberley region of Western Australia and will be known as Yougawalla Pastoral Co. The transaction closed in May 2024 following regulatory approvals. AIMCo's first investment in this sector, this established and well-managed asset provides important diversification in our client portfolios.

Private Placement: Capital Power Corporation

Capital Power, one of North America's leading independent power producers, announced the acquisition of two combined-cycle gas generation facilities in the U.S. in November 2023. AIMCo's Public Equities team led the private placement of subscription receipts to support financing of the $1.5 billion deal. The transaction aligns closely with the team's view that energy transition outcomes can lead to both long-term value creation and a low-carbon energy system.

New Mountain Capital VII

New Mountain has been one of AIMCo Private Equity's key fund relationships since 2013, and the team was excited to partner with them again on their Fund VII. New Mountain targets buyout investments in North America.

Keter Environmental Services

Keter Environmental Services is a leading U.S. based outsourced provider of managed waste solutions, with a focus on multi-tenant properties (i.e. malls). Investing alongside fund partner TPG Growth, this investment exhibits many of the characteristics AIMCo Private Equity seeks including being a market-leading player in a growing market, and demonstrating a stable, recurring revenue base.

Digital Bridge Credit Fund

AIMCo’s Infrastructure team invested in the DigitalBridge Credit Fund. This investment provides an opportunity to gain attractive risk-adjusted exposure to the digital infrastructure sector and furthers AIMCo’s knowledge in private infrastructure credit.

Oxford/TPG Properties

AIMCo’s Mortgages team completed the largest transaction for the portfolio in December 2023. The $312.5 million 5-year loan is secured by a 2.8 million square foot industrial portfolio in the Greater Toronto Area that is owned by Oxford Properties (25%) and TPG (75%).

Country Hills Town Centre

AIMCo acquired a 164,000 square-foot grocery-anchored retail centre located in a mature residential community along Country Hills Boulevard in North Calgary. Country Hills Town Centre is 99% leased to a roster of necessity-based tenants anchored by Sobeys and Shoppers Drug Mart. In addition, there is a strong supporting tenant roster of service-oriented retail that includes banks, quick service restaurants, and a variety of medical and dental services.

Stanford Crossing and U.S. Single-Family Rental Venture

Stanford Crossing is a single-family build to rent development comprised of 195 two-storey duplex homes, located in a fast-growing suburb in Northern California with convenient access to the major commuter corridors linking San Jose, Oakland, and San Francisco. The property is one of a four property portfolio developed under a programmatic joint venture, for which AIMCo has recently approved a second tranche of capital to continue to build out the portfolio of purpose-built, single-family rental communities in key undersupplied markets across the U.S.

Home Services Leader

Through a strategic partnership with KKR, AIMCo's Private Debt & Loan team invested in the senior secured loans of a leading home services business. The company offers residential HVAC, plumbing and electrical maintenance and repair services in the United States. The investment fit well into the Private Debt & Loan mandate given the non-discretionary nature of repair and maintenance services, market leading position of the company and attractive risk-adjusted return offered.

Risk Management

Risk Management

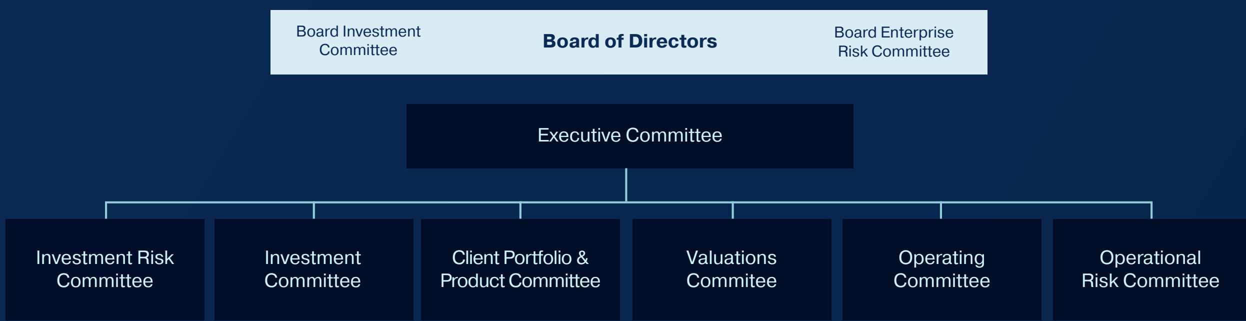
Risk is exposure to uncertain events that have the potential to impact the achievement of objectives, whether negatively (threats) or positively (opportunities). Our approach to risk management is aimed at helping AIMCo effectively reduce the likelihood and severity of adverse events, quickly respond when challenges arise and enhance management's ability to capitalize on investment opportunities in the best interests of our clients.

AIMCo is in the business of prudent risk taking and risk management is at the heart of everything we do. It is the responsibility of everyone to identify, assess, manage, monitor and report on risks.

We do this by:

- Aligning to our Enterprise Risk Management (ERM) Framework, which specifies how AIMCo manages all key risks across the organization, including investment and non-investment risks. Top risks are assessed on an on-going basis, and assessments are reviewed with the Executive Committee and the Board of Directors.
- Explicitly incorporating management of top risks into our Corporate Strategy and five-year plan.
- Integrating the strategic planning process with risk management and seeking to ensure that risks taken in pursuit of our Corporate Strategy and objectives are understood and appropriately managed within approved risk appetite and tolerance.
- Ensuring appropriate board and executive oversight. Our Board of Directors provides ultimate risk oversight, in conjunction with management committees (see diagram on page 37). In 2023, the Operating Committee was established as a management committee responsible for oversight of corporate planning, budgeting and corporate initiative prioritization and execution.
- Setting the "tone from the top" regarding the importance of risk management in all our activities by the Executive Committee members, led by the CEO.
- Understanding client investment objectives, risk appetites and strategic plans. This is reflected in the risk limits and monitoring that governs our products and strategies and is an integral part of our ongoing client relationships.
- Promoting a risk-conscious culture by implementing risk policies, guidelines and control processes with clear roles and responsibilities within the three lines model. Employees attend regular training on expected behaviors for core risk management and compliance as well as training on updated aspects of our programs that impact their daily work.

Risk Governance Structure



2023 Key Initiatives

- Refreshed the Liquidity Risk Management Policy and refined liquidity and leverage measurements
- Enhanced scenario analysis by incorporating new scenarios and executing a variety of sensitivity and stress tests, which play a crucial role in guiding investment and risk management decisions
- Performed deep dive reviews on credit risk and concentration risk
- Improved risk reporting to clients including integration of risk reports into the new client service portal
- Provided compliance assurance for clients and continued to engage clients on their investment risk appetite and tolerance
- Established an operational risk event collection and analysis program and further matured the Model Risk and Third Party Risk Management programs
- Enhanced Risk Appetite Statements for various risk types and expanded the Key Risk Indicator Program for key non-investment risks

Key Risks We Monitor and Manage

Investment Risk

Risk that an investment fails to achieve its risk-adjusted objective

How we manage:

- Independently assess and measure the risk being taken and challenge accordingly
- Seek to ensure investment strategies have a risk/return profile consistent with product descriptions

Liquidity Risk

Risk resulting from having to settle payment obligations as they come due

How we manage:

- Seek to ensure a supply of high-quality liquid assets and diverse funding sources to meet potential liquidity demands in a stressed environment and over multiple time horizons
- Stress test various scenarios to assess resiliency in a liquidity crisis; independently measure and monitor liquidity risk at the client level

Information Security Risk

Risk arising from unauthorized access, misuse, disclosure, disruption, modification, or destruction of information and/or information systems

How we manage:

- Maintain a dedicated team of cyber security professionals
- Continue to invest in a cyber resilience posture that is commensurate with the increased sophistication of threats

Corporate Execution Risk

Risk resulting from the failure to effectively implement strategic organizational and transformational initiatives or absorb change

How we manage:

- Effective planning, resource allocation, implementation and monitoring of strategic initiatives and transformational programs
- Establish robust governance structure to oversee strategic initiatives and transformational programs
- Maintain effective change communication that is clear and provides consistent messaging

- Continuously evaluate progress to ensure the change process stays on track and enable timely intervention, remediation and/or recalibration, as needed

People & Culture Risk

Risk due to the failure to effectively and appropriately attract, develop, manage and retain a highly engaged, skilled and diverse workforce; maintain and demonstrate AIMCo's core values and expected behaviours

How we manage:

- Modernize our people and culture experience
- Prioritize workloads
- Offer services that support mental health needs
- Develop our people through training and leadership programs

Emerging Risks

As risk managers, we focus not only on current risks, but also on understanding opportunities we need to capture and threats we need to manage. Emerging risks include:

Geopolitical Risk

About 49% of the world's population will participate in elections in 2024, which could lead to different governments and policy changes that may influence global investors like AIMCo. The U.S. Presidential election affects fiscal policy and the long-term solvency of U.S. government debt, economic policy, foreign policy, immigration, trade policy and the increasing fragmentation of global trade.

Fragmentation extends beyond global trade. Countries are increasingly aligning regionally and ideologically in an emerging multipolar world. These factors make it harder to reach agreement on how to deal with ongoing and expanding global conflicts and geopolitical issues that affect global financial markets, as well as trade and business. Some examples of these include the Russia-Ukraine war, Hamas-Israel conflict, Houthi militant attacks on shipping in the Red Sea, territorial disputes that could escalate into wars if not resolved (e.g. Guyana/Venezuela, Sino-Indian border), geopolitics in the Indo-Pacific region, and U.S.-China relations.

Geopolitical events, unlike macroeconomic events, do not have a well-established playbook for the delivery of desired outcomes, making the management of risks associated with such events challenging. To navigate these complexities and make appropriate and well-informed risk and investment management decisions, our teams regularly receive briefings on geopolitics from experts, monitor geopolitical developments, incorporate potential geopolitical events into our scenario analysis, and stress test clients' portfolios.

Technology Revolution

The world is undergoing a technological transformation. A key driver of this technological revolution is artificial intelligence (AI), an innovation that many compare to the importance of the invention of electricity.

AI is a hot topic that has a huge influence on the U.S. stock markets through seven companies that are focused on AI, known as the Magnificent 7 (an informal term which refers to these seven companies: Microsoft, Apple, Nvidia, Alphabet, Amazon, Meta Platforms, and Tesla). Despite economic challenges and pressures from various global conflicts, these mega-cap companies with high valuations drove the S&P 500 index and Nasdaq 100 index to perform well in 2023. However, most of the mega-cap AI-themed companies seem to have very high expectations; any disappointment in earnings leads to more stock price fluctuations, which affects the performance of the S&P 500 index.

Valuation of these AI mega-caps is not the sole significant risk here. Other risks include concentration risk due to dependence on a few large players, increased energy demand for computational power and cooling requirements, biases, AI-enabled cyberattacks and disinformation, intellectual property/data privacy concerns, AI regulation, and competition over advanced AI chips and export restrictions.

The next stage of this technology revolution offers both challenges and possibilities, as leading companies move from building infrastructure and training models to applying AI inference work (the process of using a trained AI model to make predictions, decisions or complete a task based on new, unseen data) and using AI in real-world situations. This next stage also involves developments like quantum computing, bio-pharma innovation, more research on carbon capture and storage technology, fusion energy at scale, better battery storage technology, and the growing production of cheap electric vehicles, especially from China.

This technology revolution will bring changes to how businesses operate. Some will succeed while others may struggle, opening up possibilities for thematic investments. Our Investment Risk team is committed to researching and tracking these changes and ensuring we understand and manage the risks to help our clients achieve their long-term goals.

Sustainability Spotlight

Environmental Leadership at Eco Parc

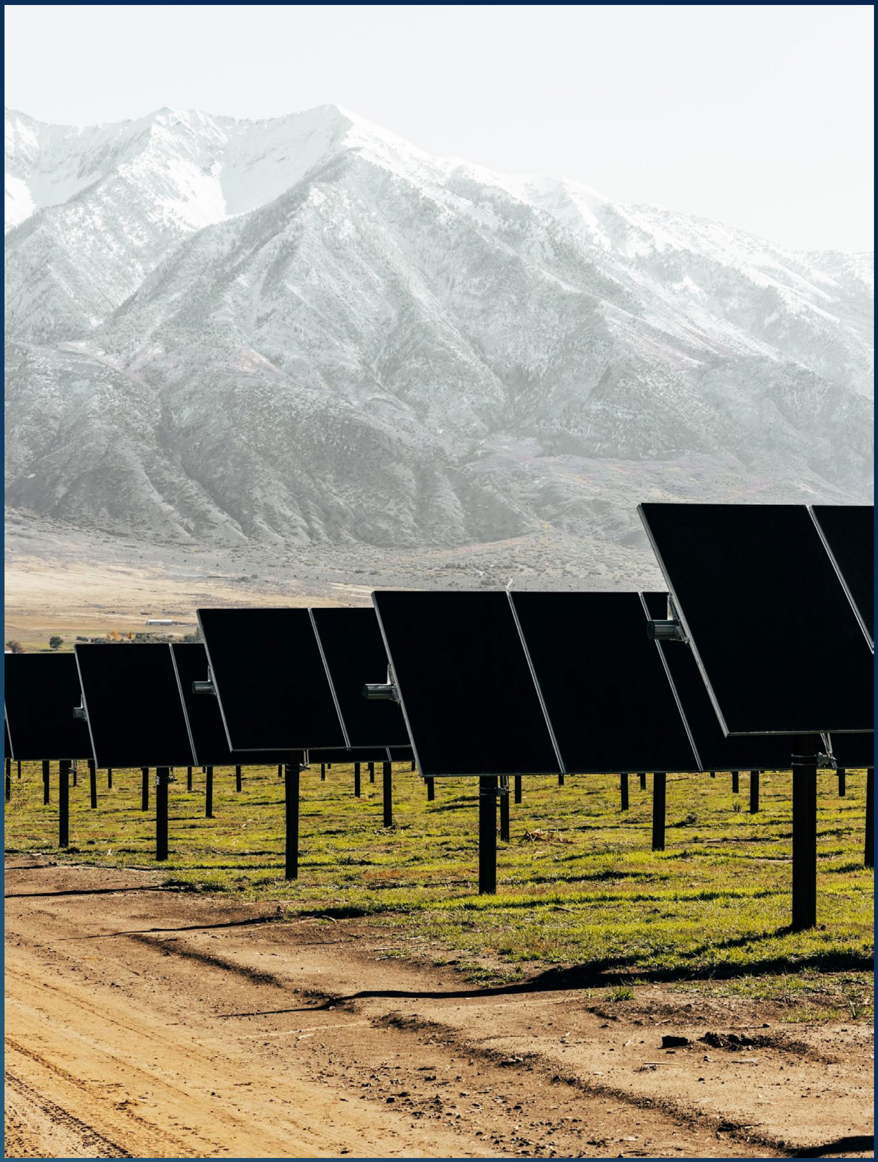
Eco Parc, an asset in clients' Real Estate portfolios, is a 98-acre logistics campus development project located in the Montreal area. Under development since 2022, in partnership with developer Montoni and another Canadian investment partner, this two-building project is on track to be both LEED Gold and Zero Net Carbon certified later this year. Developed with carbon emission reduction and sustainability at its core, Eco Parc is projected to produce 97% fewer greenhouse gas emissions, compared to the standard. Careful construction material selection contributes to a 60% reduction in embodied carbon relative to standard construction practices. Innovative rainwater collection for grey water and advanced plumbing will lead to a 50% reduction in water usage.

Tenants received meaningful cost savings as a result of these sustainable design features. In comparison to a standard set by local governments, both buildings are expected to yield energy cost savings of 48% and an overall energy usage that is 58% lower than the efficiency standard for new developments.

Infrastructure Portfolio Adds Solar and Storage Project

AES Clean Energy, which is 25% owned by AIMCo, acquired the largest permitted solar-plus-storage project in the U.S. in June of 2023.

The project is located in Kern County, California where AES Clean Energy already has significant operations. It includes two phases, each with 500 megawatts of solar and up to 500 megawatts of four-hour duration battery energy storage. The acquisition strengthens AES Clean Energy's position as a leader in providing renewable energy solutions to corporate customers under long-term contracts.



Climate Taxonomy Helps Classify Investments

AIMCo developed a climate taxonomy in 2023 to serve as a classification system that helps identify climate change-related risks and opportunities in the portfolio and provides a baseline for where the assets are today with regards to carbon emissions. The system is designed to provide additional transparency for clients and frames both existing and new investments as they relate to changing energy dynamics and carbon intensity. Mapping the entire portfolio is a tall task and the work will continue throughout 2024 and beyond.

Read our 2023 Sustainable Investing Report

Read Now

Read our 2023 Climate-related Financial Disclosures

Read Now

Culture & Community

All Aboard!

AIMCo's meetings with clients typically occur in boardrooms or on virtual platforms. Last June, the setting was much different when clients were invited for a memorable tour of the Cando Rail & Terminals operation near Fort Saskatchewan, Alberta.

Cando is an asset in clients' Infrastructure portfolios, acquired in 2022. It's one of North America's largest owners and operators of first and last mile rail infrastructure.

"We thought our clients could benefit from seeing the asset and talking to the management," said Alan Marr, Managing Director, Client Management. "We hoped it would help them understand what this asset is and why it's so special."

With positive feedback from clients, more visits with portfolio companies are in the works.

New Beginnings in Singapore and NYC

AIMCo's global footprint spread a little wider over the past year with two new offices up and running. In September 2023, the doors opened at a new location in Singapore. The team there will focus on investment opportunities in Asia-Pacific, in an effort to further diversify the portfolio globally and tap into attractive growth opportunities in the region.

"There is nothing quite like being on the ground to get into the thick of conversations, deal flow, and partner networks," said Kevin Bong, Senior Managing Director, Chief Investment Strategist & Head of Singapore. "The team is working tirelessly to build AIMCo's brand in the region and to source great investment opportunities for our clients."

In February of 2024, the New York office was officially opened. The office will play a critical role in growing AIMCo's private credit portfolio.

The addition of Singapore and New York brings the total number of global offices to seven, including Edmonton, Calgary, Toronto, London and Luxembourg.

Monumental Meeting in Edmonton

With AIMCo employees living and working around the world, it was extra special to come together for a two-day conference in Edmonton in April of 2023. With nearly 600 colleagues in attendance, the team experienced engaging speakers and activities, learning and networking opportunities.

Among the most popular agenda items was a panel that included public sector workers who will one day collect pensions that rely on investments managed by AIMCo.

“Hearing from a teacher, a nurse and a university professor gave that added perspective on who AIMCo’s ultimate beneficiaries are. It’s never far from my mind but inviting them to our event made it extra meaningful,” recalled Kerry Nield, an associate on the Client Investment Strategy team.

Other highlights included a panel discussion with investment partners and portfolio companies, a conversation with non-profit organizations that benefit from AIMCo Foundation grants to support financial literacy initiatives, and a presentation about what the future may hold for Indigenous-led investment in private assets.

Group Establishes Caring Community

"I hope it helps people flourish."

That's what Joel Perry said when asked what his hope was for colleagues who join AIMCo's newest employee resource group. It's called CARE, named for its principles — collaboration, acceptance, respect and empathy. The focus is to empower people with disabilities, neurodivergence, and caregivers to achieve their career goals within AIMCo. This includes people with apparent or non-apparent disabilities, chronic illness, and mental illness.

Joel brings firsthand experience as a caregiver to his role as the group's chair. His son has severe cerebral palsy. The 11-year-old uses a wheelchair to get around. Additionally, he has little control of his hands or capacity to swallow and has a history of seizures. With two other children, one of whom has an ADHD diagnosis, Joel has a busy household. It's why he's extra appreciative of the understanding and flexibility he's experienced while meeting his objectives as a technical writer in AIMCo's Global Technology and Data department.

"I've made it this far because of the support of my family and my community, as well as supportive co-workers and understanding managers through the years," he said.

The group's launch event attracted more than 300 colleagues, who listened intently to authentic accounts from coworkers managing disabilities or illness. Chief Investment Officer Marlene Puffer, the executive sponsor of the group, shared her personal perspective as a parent to neurodivergent children and as a neurodivergent leader.

"Setting our employees up to thrive is critical to AIMCo's success, and that's exactly what we're committed to doing," said Marlene, "By collaborating with CARE we're able to empower our talented, experienced employees of all abilities to achieve their highest levels of excellence."

Everyone at AIMCo is welcome to take part in the CARE community and many will directly benefit from the focus CARE is placing on building solutions for people with disabilities, neurodivergence and caregivers.

"It's almost inconceivable that someone at AIMCo wouldn't at some point experience, even temporarily, some form of disability, a chronic illness, neurodivergence — or wouldn't have any of those things come up in their sphere of responsibility," Joel emphasized.

AIMCo Earns National Recognition

Even with fierce competition for top talent among Canadian employers, AIMCo continues to make a name for itself as an employer of choice. AIMCo's work culture was recognized in 2023 when it was named one of Canada's Top Employers for Young People, a first-time accolade for the organization.

The award was a nod to AIMCo programs, such as rotational training and mentorship, that help recent graduates find their career footing. Just as important was the recognition of AIMCo's culture, where young employees are encouraged and supported in contributing to big projects.

"The opportunity to work alongside experienced investment teams on a major project for the Sustainable Investing group was invaluable," said Gabriela Sanchez, who started at AIMCo as a summer intern in 2021 before landing a permanent role.

"I learned so much and I feel lucky to have done such work, so early in my career."

Empowering Equity in Financial Education

AIMCo's commitment to recruiting and developing diverse teams starts with efforts to ensure there is diverse representation in the finance and investment industry talent pool. In alignment with AIMCo's diversity, equity and inclusion focus, the AIMCo Foundation for Financial Education took a step toward advancing gender diversity in finance and Indigenous inclusion in business with the addition of four new equity-based scholarships at the University of Alberta and University of Calgary.

"Students from diverse backgrounds face unique barriers when it comes to accessing education and opportunities related to business and finance. Our goal is to help alleviate the financial burden associated with post-secondary education, so these students can focus on their studies," said Shayenne Selleck, Executive Director, AIMCo Foundation. The Foundation also funds awards with MacEwan University, the Northern Alberta Institute of Technology, the Southern Alberta Institute of Technology and the University of Lethbridge.

These awards are part of broader, multi-year scholarship funding agreements with the universities totalling $260,000, supporting areas of need identified by each institution.

Established as a registered charity in 2018 to amplify AIMCo's community impact, the AIMCo Foundation is led by a group of passionate employee-volunteers. Along with scholarships, it provides grants to nonprofit organizations that deliver financial literacy programming and services in Alberta.

PAR Certification Journey Underway

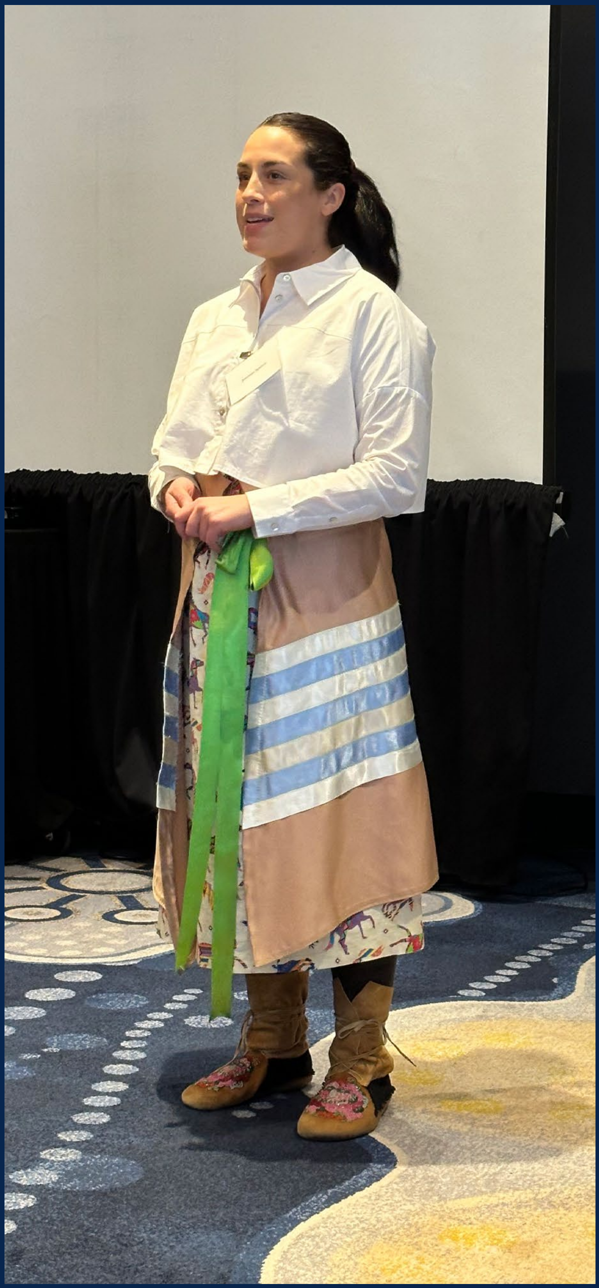
In September 2023, AIMCo committed to obtaining Progressive Aboriginal Relations (PAR) certification from the Canadian Council for Aboriginal Business. AIMCo is being guided on this three-year journey by Rise Consulting, an Indigenous-led consulting firm.

Seeking PAR certification reinforces AIMCo's dedication to actively advancing truth and reconciliation. This collaborative and strategic process culminates in being evaluated on criteria defined by the Indigenous community including leadership, employment, business, and community relations.

Becoming certified signals to Indigenous communities that AIMCo is a good business partner, a great place to work, and is committed to prosperity in Indigenous communities.

During a full-day kick-off with the PAR working group made up of colleagues from across AIMCo, Jasmine Spence, Analyst, Economics and Investment Research, shared why this work matters to her as an Indigenous employee.

"The PAR commitment demonstrates to me that I can show up authentically at work, share my culture and perspectives with my team, and be in community to balance the needs of my family — this means so much to me. I look forward to AIMCo's Indigenous representation continuing to increase as we integrate the PAR principles into all elements of our organization."



Culture Awards

Inclusion Award

Patience Omokhodion, Associate General Counsel

Patience is recognized for her outstanding commitment to advancing diversity, equity and inclusion at AIMCo. Passionate about fostering inclusion in the workplace, she has taken on leadership roles in two employee resource groups. Patience was instrumental in launching the Black Employees and Allies Network and was a vocal advocate championing the rollout of AIMCo's gender-neutral parental leave policies.

Client Centricity Award

Simon Chow, Stress Testing Manager
Brandon Lam, Senior Manager, Securities Modelling & Research
Bruce Liu, Senior Analyst, Market Risk Modelling
Ross Palmer, Senior Manager, Client Risk Management
Ivy Shen, Analyst, Client Risk Management
Harry van Rooy, Director, Risk Modelling
Carlos Vides, Client Risk Manager
Lin Xu, Senior Analyst, Client Risk Management

These team members from Investment Risk Management and Investment Risk Analytics are honoured for concluding a complex, multi-year project to onboard a client's risk reporting while exhibiting persistence, agility and professionalism.

Leadership Award

Kripesh Kutty, Director, Application Integration & Development

Kripesh received a dozen separate nominations for this award, truly demonstrating his stellar reputation for leading by example and promoting a transparent, results-oriented team culture. He is known as a humble coach and a respected technical expert who creates a psychologically safe space for his team to thrive.

Investment Award

Jonathan Braams, Senior Principal, Renewable Resources
Michael Dzierzecki, Associate Principal, Renewable Resources
Kyle Jordan, Associate, Renewable Resources
Martin Kholmatov, Senior Manager, ESG Integration & Analytics
Nabilah Ladhabhoy, Senior Analyst, Sustainable Investing
Kathryn Nguyen, Senior Risk Manager, Real Estate
Jon Reay, Director, Value Creation & Asset Management
Krishna Sharma, Manager, Private Investment Assets
Jeff Wispinski, Associate General Counsel
Cassie Zhou, Analyst, Infrastructure & Renewable Resources
Gordon Zittlau, Managing Director, Tax

This cross-divisional team is recognized for securing several large, high-profile deals that spanned the globe in timberlands, pastures, and permanent crops. The team repeatedly demonstrated their versatility and deep investment knowledge.











I Am AIMCo

With an ever-strengthening commitment to our clients, two of our team members shared personal stories about what inspires their work every day.

Ashton Rudanec

The work Ashton Rudanec does at AIMCo is highly personal. Away from the office, she is surrounded by people whose financial futures rely on AIMCo investments. Her father is a retired teacher and principal collecting a pension from the Alberta Teachers' Retirement Fund, and her brother is a firefighter who pays into the Local Authorities Pension Plan. These close connections are never far from her mind as she executes her duties as a Director on the Sustainable Investing team.

Watch Ashton's Story

Kim Thompson-Springer

Kim Thompson-Springer has an uplifting tale to tell about falling in love with Alberta as an MBA student from Barbados, studying in Calgary. She was patient, but in time she made Alberta her home, with a career in investment management at AIMCo. Now, she is a Director of Private Investment Assets, a committed community volunteer, and a busy mother of three. With incredible ties to her community, her sense of purpose guides her daily work in service of our clients and the Albertans they serve.

Watch Kim's Story

Executive Team

Evan Siddall
Chief Executive Officer

Suzanne Akers
Chief Risk Officer

Angela Fong
Chief Corporate Officer
Retired December 31, 2023

Rod Girard
Chief Legal Officer
Retired April 12, 2024

Paul Langill
Chief Financial Officer

Denise Man
Chief Technology Officer

Shelley Nixon
Chief Legal Officer
As of January 29, 2024

Krista Pell
Chief People, Culture & Engagement Officer

Amit Prakash
Chief Fiduciary Management Officer

Dr. Marlene Puffer
Chief Investment Officer

David Scudellari
Senior Executive Managing Director, Head of International Investment

Discover More about Our Culture & Community

Award Winning

We are recognized as one Canada's Top Employers for Young People and Alberta's Top Employers.

Read More

AIMCo Foundation

Our grants and scholarships help Albertans.

Read More

We're Hiring

Be part of our dynamic and autonomous work culture.

Choose Us

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 are required to exercise care, diligence and skill in their oversight of AIMCo.

Our Board

Mark Wiseman

Chair
Term ended December 31, 2023

Dr. Kenneth (Ken) F. Kroner

Interim Chair, as of January 1, 2024
Vice Chair; Board Investment Committee Chair

Phyllis Clark

Board Member

Bob Dhillon, O.C.

Board Member

Jon Horsman

Board Member
As of July 1, 2023

Joel Hunter

Board Member

Audit Committee Chair
As of April 21, 2024

Jim Keohane

Board Member

Enterprise Risk Committee Chair
As of April 21, 2024

Lorraine Mitchelmore

Board Member

Jason Montemurro

Board Member,
As of March 13, 2024

Roger Renaud

Board Member

Human Resources & Compensation Committee Chair

Sharon Sallows

Board Member

Enterprise Risk Committee Chair
Term ended April 20, 2024

Theresa Whitmarsh

Board Member

Governance Committee Chair

Tom Woods

Board Member

Audit Committee Chair
Term ended April 18, 2024

The Board of Directors has five standing committees:

1. Audit
2. Enterprise Risk
3. Governance
4. Human Resources & Compensation
5. Investment

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.

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.

Confidential Reporting Policy

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

In 2023, AIMCo received three disclosures through our confidential reporting system. All reports were assessed pursuant to the Confidential Reporting Policy. One report was referred for consideration outside of the Confidential Reporting Policy. Two reports were investigated under the Confidential Reporting Policy. No report resulted in a finding of wrongdoing under the *Public Interest Disclosure (Whistleblower Protection) Act*.

Discover More about Our Governance

Committees

Five standing committees have specific responsibilities.

Learn More

Experience

Our Directors have a range of experience and skills.

Learn More

Attendance

The Board is committed to transparency.

View Attendance

Compensation Discussion & Analysis

Message from the Human Resources and Compensation Committee Chair

"For the 2023 performance year, under the CIP, AIMCo had a strong year, surpassed its quantitative targets on long-term investment returns, and exceeded its corporate and team objectives."

Roger Renaud

Chair of Human Resources and Compensation Committee

2023 was highlighted by significant progress across AIMCo's strategy and operations in a challenging macroeconomic environment. AIMCo introduced its Corporate Strategy, embarked on its Business Transformation journey, and began implementing its Investment and People Strategies — all guided by AIMCo's purpose of helping clients build better financial futures for the Albertans they serve.

Throughout the year, AIMCo made notable strides in advancing its 5-year Corporate and Investment Strategies, which underpin its People Strategy. The Human Resources & Compensation Committee (HRCC) is confident that the People Strategy will play a crucial role in steering AIMCo towards success, evidenced by the incredible strides already made in 2023. This strategy encompasses three primary focus areas:

- Capability: Investing in our people to ensure they possess the requisite skills, knowledge, technology, and adaptability to thrive and deliver amidst evolving landscapes.
- Capacity: Guaranteeing the presence of the appropriate organizational structures, team configurations, people-centric processes, and operational resources.
- Experience: Cultivating robust organizational health characterized by diversity, engagement, values alignment, and recognition for delivering exceptional results.

Attracting and retaining world-class professionals is key for AIMCo to deliver top-tier investment performance. To accomplish this, AIMCo relies on market aligned pay-for-performance programs which enable AIMCo to compete with institutional investment peers and other relevant organizations for top performing talent. AIMCo's Corporate Incentive Plan (CIP) aligns with market and links employee pay to the success of AIMCo, in service of clients. The CIP focuses on measuring investment performance over the longer term, aligned with AIMCo's mandate, and is balanced by annual corporate, team and individual measures which support the successful implementation of the Corporate Strategy. The CIP is reviewed annually, incorporating input from clients and leveraging extensive market knowledge, as well as insights from our peer Canadian pension plan investment managers and independent external compensation consultants. To ensure sound risk management and governance, the Chief Risk Officer (CRO) conducts and presents an annual, formal assessment of the effectiveness of AIMCo's risk management and culture to the HRCC, which could result in an adjustment (upward/downward) to performance compensation outcomes.

To assist with execution of its compensation-related responsibilities, HRCC works with an external compensation consultant that has an independent and direct reporting responsibility to the Chair of HRCC. The external compensation consultant retained in 2023 by HRCC (Mercer) advises the HRCC on market competitiveness and the appropriateness of AIMCo's compensation programs and metrics. Though all compensation-related decisions remain the responsibility of the HRCC and the AIMCo Board of Directors (Board), the information and recommendations provided by the independent compensation consultant are considered in the decision-making process. HRCC has frequent in-camera sessions to discuss matters of particular interest and responsibility pertaining to HRCC's governance oversight of executive compensation, overall compensation philosophy and compensation policy.

For the 2023 performance year, under the CIP, AIMCo had a strong year, surpassed its quantitative targets on long-term investment returns, and exceeded its corporate and team objectives. Despite the headwinds on the one-year relative return, AIMCo remains committed to the long-term success and surpassed its multi-year relative and absolute return objectives.

Overall, AIMCo had a strong year, overcame headwinds with our risk-controlled approach, I believe clients and their beneficiaries can trust in our dedication to helping them achieve their long-term goals.

Roger Renaud

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 and team 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, corporate and team objectives, is based on qualitative factors.

Sustained, Long-Term Performance

Management is measured upon and focused on long-term investment performance. The investment performance component of the compensation program is measured over a multi-year period to ensure a long-term performance focus.

Fairness Based on Market-Competitive Context

All employees exercise 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 and growth. 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

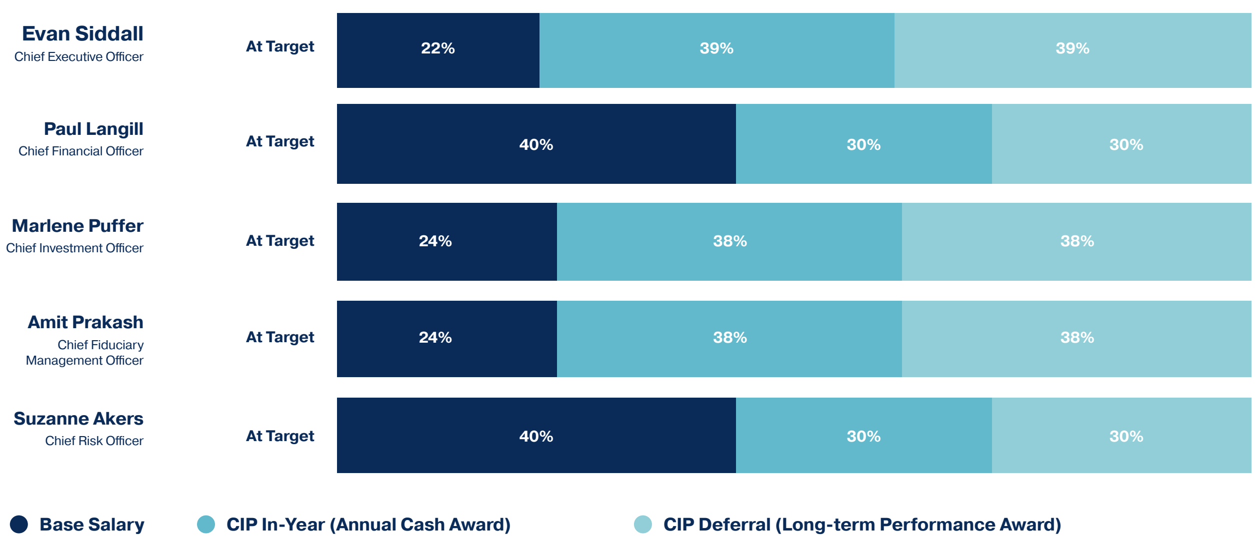
Performance-based compensation relating to investment returns is driven by excess returns above relevant investment benchmarks, over a multi-year period. The concept is to reward successful active management over multiple years, by exceeding returns otherwise achievable through passive investing.

Compensation Risk Mitigants

Risk-mitigating features of AIMCo's performance compensation plan are outlined below. These features reinforce the principle of pay for performance, contribute to client alignment, offer controls that govern the performance compensation 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 Named Executive Officers, their mix of compensation demonstrated at target is as follows:



Assessment of Long-Term Performance

The investment performance component of the compensation program is measured over a multi-year period, ensuring alignment to clients' long-term investment horizon.

Adjustments to Performance Payments or Forfeitures

The Chief Executive Officer has authority to adjust a performance payment for an executive, predominately relating to individual performance. Similarly, the Board, through the HRCC, has the authority to amend and/or terminate the CIP, 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

Excess Return and Absolute Return targets approved by the Board include consideration of AIMCo's Board-approved risk budget and risk assessment.

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

As AIMCo operates in an extremely competitive talent market, our compensation programs must be competitive and reflect industry practices, while aligning all employees with the long-term goals of our clients.

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
Corporate Incentive Plan (CIP)	Rewards superior and sustained investment performance, reinforcing the long-term nature of investment strategy, including alignment with corporate, team and individual objectives	CIP awards are determined based upon relative Total Fund excess returns, absolute Balanced Fund return, relative asset class returns, each over a four-year period, and corporate, team and individual objectives. All measures weighted based on employee level and payouts can range from 0x to 2.5x target, depending on performance. CIP Awards consist of two components, the CIP In-Year (Annual Cash) is paid in the year following the end of the performance period. For senior positions, a portion of the CIP is granted in deferrals to align with the long-term focus, known as CIP Mandatory Deferral.	Medium to High variability
Restricted Fund Units (RFU)	On a case-by-case basis, to bridge the “gap” period between commencement of employment and deferrals 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

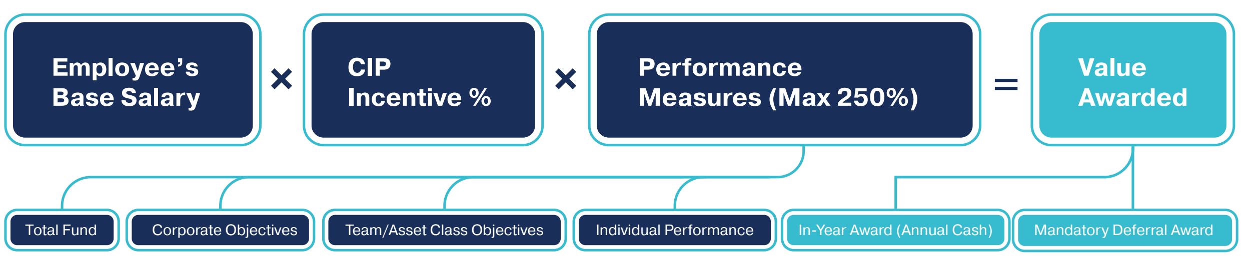
Base Salary

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

Corporate Incentive Plan (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. The CIP In-Year portion is paid in the year following the end of the performance period. For senior positions, a portion of the CIP is granted in deferrals to align with the long-term focus, known as CIP Mandatory Deferral. The deferred portion is notionally reinvested in the balanced fund and paid in three equal payments that vest over 12-, 24- and 33-month periods immediately following the end of the performance period used to determine the CIP award value.

CIP Mandatory Deferrals is reinvested in the balanced fund to further align senior participants with the experience of clients as it relates to our investment results. Each payment is calculated as the initial value of the deferred amount for the specified period plus the compounded rate of return of the balanced fund over the vesting period to align.



	Type of Award	Performance Measure				
		AIMCo Total Fund	Corporate Objectives	Team/Asset Class Objectives		Individual Performance
Evan Siddall Chief Executive Officer	CIP	40%	30%	-	n/a	30%
Paul Langill Chief Financial Officer	CIP	40%	20%	20%	Finance	20%
Marlene Puffer Chief Investment Officer	CIP	40%	20%	20%	Investment Management	20%
Amit Prakash Chief Fiduciary Management Officer	CIP	40%	20%	20%	Fiduciary Management	20%
Suzanne Akers Chief Risk Officer	CIP	40%	20%	20%	Risk Management	20%

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 CIP deferrals 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, a wellness spending account and a learning benefit.

2023 Performance Results

The following summarizes the 2023 performance year results for the period ended December 31, 2023.

Total Fund Performance (4-year performance)

AIMCo's Total Fund performance is evaluated over a 4-year performance period to align with our long-term focus. The Total Fund measures the performance of AIMCo's assets under management (AUM) in two ways:

Relative Total Fund Return – The performance of the Total Fund by comparing excess return achieved against the performance of the relevant benchmark.

	Performance Year			
	2023	**2022**	**2021**	**2020**[1]
Excess Return	-1.8%	1.8%	6.7%	-5.5%
4-Year Average Excess Return (Arithmetic)	0.3%			
Achievement	At Stretch Performance			

1. For the purpose of transitioning to the CIP program, for the 2020 performance year only, the methodology applied to the calculation of the payout factor, aligned with our legacy incentive program ((Annual Incentive Plan (AIP) & Long-Term Incentive Plan (LTIP)).

Absolute Balanced Fund Return – The performance of the Balanced Portfolio of Assets by comparing the rate of return achieved against targets.

	Performance Year			
	2023	**2022**	**2021**	**2020**
Net Returns	8.0%	-4.6%	16.2%	2.6%
4-Year Average Net Return (Arithmetic)	5.6%			
Achievement	At Target Performance			

The overall performance factor achieved for Total Fund was 190% out of a possible stretch performance of 250% for the 2023 performance year.

Corporate Objectives Scorecard Performance

The HRCC reviews AIMCo's performance against Corporate Objectives that are cascaded from our long-term strategic plan. A recommendation on the performance factor is then made to the Board for approval.

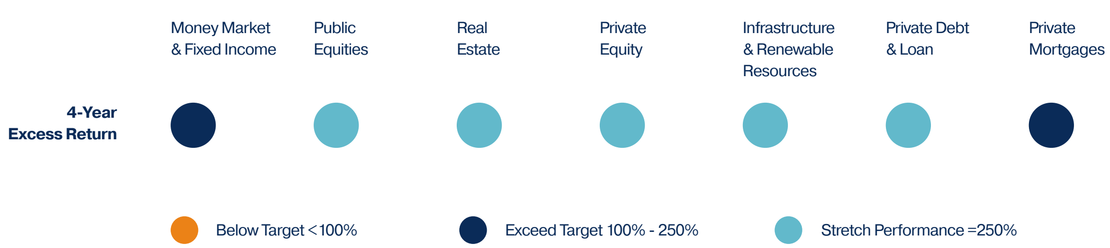
For the 2023 year, AIMCo collectively achieved target or above target for six of seven Corporate Objectives which focused on three areas — consistent, reliable service, a customizable investment platform and talent and culture. In evaluating the seven objectives, the HRCC considered both "what" was achieved and "how" it was achieved, recognizing AIMCo with a strong performance factor of 195% out of a possible stretch performance of 250%.

Team Corporate Division: Objectives Scorecard Performance

The CEO reviews and recommends team performance factors for Corporate Divisions based on the results of the Division Objectives for the 2023 performance year.

Team Asset Class: Relative Asset Class Return Performance (4-year performance)

The Team performance of Asset Classes is determined by comparing the excess return achieved against the performance of the relevant benchmark.



Individual Executive Performance Assessments

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

Summary Executive Compensation

(Audited)

The Summary Compensation table below shows the compensation of the Named Executive Officers of the Corporation for the year ended March 31, 2024. The values under incentive plan compensation include our CIP awards for the 2023 performance year (ended December 31, 2023), of which the In-Year (Annual Cash) award was paid in early 2024. In addition, payments under our legacy LTIP plan were paid in early 2024. The incentive plan outcomes are calculated on a calendar year basis and are shown in the fiscal year for which performance most closely aligns. We also disclose compensation of key management personnel as a group.

	Fiscal Year	Base Salary [1]	In-Year Award (Annual Cash Paid) [2]	Deferred Awards Granted [3]	Total Direct Compensation [4]	LTIP (Paid) [5]	RFU (Paid) [6]	CIP Deferred Awards Vested (Paid) [7]	Pension Contribution [8]	Other Compensation [9]	Total Compensation ($)
		a	b	c	a+b+c	d	e	f	g	h	a+b+d+e+f+g+h
Evan Siddall Chief Executive Officer	23/24	585,000	2,004,064	2,004,064	**4,593,128**	-	325,710	769,925	70,200	17,922	**3,772,821**
	22/23	575,000	2,139,475	2,139,474	**4,853,949**	-	304,637	-	91,650	15,754	**3,126,516**
	21/22	427,500	843,600	-	**1,271,100**	-	-	-	34,200	22,818	**1,328,118**
Marlene Puffer Chief Investment Officer	23/24	500,000	1,426,850	1,426,850	**3,353,700**	-	475,794	-	58,411	27,052	**2,488,107**
	22/23	87,180	-	-	**87,180**	-	-	-	6,974	556,048	**650,202**
Amit Prakash Chief Fiduciary Management Officer	23/24	400,000	1,190,400	1,190,400	**2,780,801**	-	113,844	452,928	48,000	12,957	**2,218,129**
	22/23	400,000	1,258,600	1,258,600	**2,917,200**	-	106,479	-	62,000	14,378	**1,841,457**
	21/22	362,500	1,150,000	367,500	**1,880,000**	-	-	-	32,500	15,576	**1,560,576**
Paul Langill Chief Financial Officer	23/24	390,000	569,339	569,339	**1,528,679**	-	50,339	158,106	42,530	13,506	**1,223,820**
	22/23	340,000	560,000	439,348	**1,339,348**	-	47,083	-	45,790	17,686	**1,010,559**
	21/22	328,750	505,000	162,500	**996,250**	-	-	-	26,300	17,770	**877,820**
Suzanne Akers Chief Risk Officer	23/24	390,000	551,778	551,778	**1,493,555**	-	206,520	108,162	26,581	11,848	**1,294,889**
	22/23	323,436	300,560	300,560	**924,556**	-	193,160	-	21,696	14,913	**853,765**
Kevin Uebelein Former Chief Executive Officer	23/24	-	-	-	**-**	1,968,750	-	-	-	5,105	**1,973,855**
	22/23	-	-	875,000	**875,000**	2,625,000	170,370	-	20,000	9,992	**2,825,362**
	21/22	125,000	930,000	875,000	**1,930,000**	1,500,000	-	-	30,000	2,362,227	**4,947,227**
Dale MacMaster Former Chief Investment Officer	23/24	-	-	-	**-**	753,047	-	-	-	5,105	**758,152**
	22/23	-	-	-	**-**	1,950,001	-	-	-	5,958	**1,955,959**
	21/22	425,000	1,224,000	446,250	**2,095,250**	2,302,314	-	-	55,058	415,311	**4,421,683**

1. Base Salary consists of all regular pensionable base pay earned.
2. For fiscal 23/24 and 22/23, the figures represent the In-Year (Annual Cash) component of the value awarded under the Corporate Incentive Plan for the 2023 and 2022 performance year respectively. For fiscal 21/22, the figures represent the legacy Annual Incentive Plan's award for the 2021 performance year.
3. For fiscal 23/24 and 22/23, the figures represent the Mandatory Deferral Grant component of the value awarded under the Corporate Incentive Plan for the 2023 and 2022 performance year respectively. The value granted represents the value at the time of the grant, which is notionally reinvested in the balanced fund over the vesting period. For fiscal 21/22, the figure represents the legacy LTIP Incentive Plan awards granted during the 2021 performance year.
   Awards granted outside of the normal course incentive plan are excluded, such as RFU awards granted in connection to employment agreements or one-time plan transition awards. These awards are disclosed under "Estimated Future Payouts of Outstanding Incentive Awards".
4. The Board and management focus on Total Direct Compensation when making compensation decisions for the 2023 performance year, which reflects base salary, in-year award (annual cash paid) and deferred awards granted.
5. The figures reflect LTIP grants awarded at the beginning of 2020 and paid out after the 2023 calendar year. The values were set using the calculation method approved by the Board on the legacy LTIP Incentive Plan's awards.
6. The figures reflect the paid out RFUs that vested at the end of the 2023 calendar year. RFUs fluctuate in value according to AIMCo Total Fund performance. RFUs have time horizons of one to three years for vesting provisions.
7. The figures reflect vested CIP deferred previously granted for the 2022 performance year. The deferred award is notionally reinvested in the balanced fund and paid in three equal payments that vest over 12-month, 24-month and 33-month periods immediately following the end of the performance period used to determine the CIP award value.
8. 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.
9. 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.

Estimated Future Payouts of Outstanding Incentive Awards

(Audited)

The table below shows the estimated future payouts of outstanding incentive awards. The CIP was implemented on January 1, 2022, and for senior positions, a portion of the CIP award is granted in deferrals. Awards are no longer granted under the legacy Long-Term Incentive Plan (LTIP); however, some grants made prior to 2022 are still outstanding.

				Estimated Future Payout Year [1]		
	Performance Year	Award Type [2] [3]	Grant Value ($)	2024	2025	2026
Evan Siddall Chief Executive Officer	2022	CIP Deferral	1,426,316	837,247	882,462	-
	2023	CIP Deferral	2,004,064	726,406	778,712	820,731
		Total	**3,430,380**	**1,563,654**	**1,661,174**	**820,731**
Marlene Puffer Chief Investment Officer	2023	RFU	1,725,000	958,485	1,120,860	-
	2023	CIP Deferral	1,426,850	517,185	554,426	584,343
		Total	**3,151,850**	**1,475,670**	**1,675,286**	**584,343**
Amit Prakash Chief Fiduciary Management Officer	2021	LTIP	367,500	1,102,500	-	-
	2022	RFU	147,000	164,949	-	-
	2022	CIP Deferral	839,067	492,532	519,131	-
	2023	CIP Deferral	1,190,400	431,480	462,550	487,509
		Total	**2,543,967**	**2,191,461**	**981,681**	**487,509**
Paul Langill Chief Financial Officer	2021	LTIP	162,500	487,500	-	-
	2022	RFU	65,000	72,937	-	-
	2022	CIP Deferral	292,899	171,931	181,217	-
	2023	CIP Deferral	569,339	206,367	221,226	233,163
		Total	**1,089,738**	**938,734**	**402,444**	**233,163**
Suzanne Akers Chief Risk Officer	2022	RFU	100,000	112,210	-	-
	2022	CIP Deferral	200,373	117,620	123,970	-
	2023	CIP Deferral	551,778	200,001	214,402	225,971
		Total	**852,151**	**429,831**	**338,373**	**225,971**

1. The payout year refers to the performance year the incentive is vested in. The actual payout of the incentive occurs within five months following the performance year.
2. The legacy LTIP Compensation Program requires the remaining unvested LTIP to be paid out as per the agreed vesting date. The amounts were set using the calculation method approved by the Board.
3. The RFUs were granted based on either the Executive's offer of employment or awarded to holders of LTIP grants that met the performance threshold for an SLTIP award using actual results for calendar years 2018 through 2021 and using calculation methods approved by the Board for future calendar years 2022 through 2024. The RFUs were issued on January 1, 2022.

Estimated Future Payouts of Incentive Awards for Departed Executive Team Members

(Audited)

The table below shows the estimated future payouts of unvested incentive awards of executives that have departed AIMCo. Meeting the eligibility factors (of retirement age and years of service), the amounts below have been pro-rated based on the retirement date of each individual.

	Performance Year	Award Type [2]	Grant Value ($)	Estimated Future Payout Year [1] 2024	2025	2026
Kevin Uebelein Former Chief Executive Officer	2021	LTIP	875,000	1,312,500	-	-
	2022	LTIP	875,000	-	656,250	-
		Total	**1,750,000**	**1,312,500**	**656,250**	**-**
Dale MacMaster Former Chief Investment Officer	2021	LTIP	446,250	418,359	-	-
		Total	**446,250**	**418,359**	**-**	**-**

1. The payout year refers to the performance year the incentive is vested in. The actual payout of the incentive occurs within five months following the performance year.
2. The legacy LTIP Compensation Program requires the remaining unvested LTIP to be paid out as per the agreed vesting date. The amounts were set using the calculation method approved by the Board.

Pension Plans

(Audited)

Executive team members participate in the defined contribution pension plan, which require contributions by both the employee and AIMCo. The table that follows shows the contributions for the executive team members under their respective plan.

			Registered		Supplementary	
	Pension Type	Fiscal Year	AIMCo Contributions	Employee Contributions	AIMCo Contributions	Employee Contributions
Evan Siddall Chief Executive Officer	DC	23/24	21,660	10,830	48,540	24,270
	DC	22/23	30,160	15,080	61,490	30,745
	DC	21/22	30,873	15,437	3,327	1,663
Marlene Puffer Chief Investment Officer	DC	23/24	35,726	17,863	22,685	11,343
	DC	22/23	6,974	3,487	-	-
Amit Prakash Chief Fiduciary Management Officer	DC	23/24	21,660	10,830	26,340	13,170
	DC	22/23	33,560	16,780	28,440	14,220
	DC	21/22	20,473	10,237	12,027	6,013
Paul Langill Chief Financial Officer	DC	23/24	24,530	12,265	18,000	9,000
	DC	22/23	29,360	14,680	16,430	8,215
	DC	21/22	19,773	9,887	6,527	3,263
Suzanne Akers Chief Risk Officer	DC	23/24	26,581	5,316	-	-
	DC	22/23	21,696	4,339	-	-

Board of Directors Remuneration

April 1, 2023 to March 31, 2024

(Audited)

Directors' compensation is prescribed by provincial regulation. Board members receive annual retainers and meeting fees as described in the table below. The Board 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	Enterprise Risk Committee
Base Retainer (Annual)	20,000	-	-	-	-	-
Chair Retainer (Annual)	50,000	10,000	7,500	7,500	7,500	7,500
Meeting Fees	1,000	1,000	1,000	1,000	1,000	1,000

	Base Retainer (Annual) ($)	Chair Retainer (Annual) ($)	Meeting Fees ($1,000 per meeting) ($)	Travel Remuneration ($)	Totals ($)
Phyllis Clark Board Member	20,000	-	25,000	1,750	46,750
Navjeet Singh (Bob) Dhillon Board Member	20,000	-	18,000	2,793	40,793
Jon Horsman (1) Board Member	15,000	-	23,000	4,000	42,000
Joel Hunter (2) Board Member	-	-	1,000	-	1,000
James (Jim) Keohane Board Member	20,000	-	22,000	4,000	46,000
Kenneth Kroner (3) Board Member	20,000	10,658	22,000	7,125	59,783
Lorraine Mitchelmore Board Member	20,000	-	29,000	2,625	51,625
Jason Montemurro (4) Board Member	1,038	-	1,000	-	2,038
Roger Renaud Board Member	20,000	7,500	25,000	6,000	58,500
Sharon Sallows (5) Board Member	20,000	7,500	22,000	7,750	57,250
Theresa Whitmarsh Board Member	20,000	7,500	29,000	7,594	64,094
Mark Wiseman (6) Board Member	20,000	32,500	20,000	5,875	78,375
Tom Woods (5) Board Member	20,000	10,000	27,000	4,250	61,250
Fiscal 2023/2024 Totals	216,038	75,658	264,000	53,761	609,457
Fiscal 2022/2023 Totals	205,000	90,000	269,000	35,813	599,813

1. Jon Horsman joined the Board of Directors on July 1, 2023.
2. Joel Hunter joined the Board of Directors on April 21, 2024; however, he attended one meeting in fiscal 2023/2024 year.
3. Kenneth Kroner was appointed Vice Chair of the Board of Directors on January 1, 2024.
4. Jason Montemurro joined the Board of Directors on March 13, 2024.
5. Sharon Sallows and Tom Woods retired from the Board of Directors on April 21, 2024.
6. Mark Wiseman retired from the Board of Directors on December 31, 2023. His remuneration for his service as a director is donated directly by AIMCo to the charity of Mr. Wiseman's choosing, that being the United Way of Alberta.

Compensation of Key Management Personnel

(Audited)

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of AIMCo, either directly or indirectly, consisting of the Board of Directors, the Chief Executive Officer, and key members of the Executive Committee.

Compensation of key management personnel of AIMCo is as follows:

	2023/2024 ($)	**2022/2023** ($)
Short Term Employee Compensation and Benefits Paid	15,007,248	11,917,148
Long-Term Compensation Paid	5,808,537	3,984,283
Post-Employment Benefits Paid	-	-
Termination Benefits Paid [1]	1,640,000	1,640,000
Total	**22,455,784**	**17,541,431**
Long-Term Compensation Outstanding [1]	23,430,205	13,316,468

1. Value represents the estimated future payouts of outstanding incentive awards.

Costs Overview

The following AIMCo expense summary should be read in conjunction with the audited financial statements and accompanying notes for the year ended March 31, 2024. 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 investment managers, investors or pension plans. They should not be viewed as an alternative to measures of financial performance determined in accordance with PSAS.

For the year ended March 31, *($, millions of Canadian dollars)*	**Budget 2024**	**Actual 2024**	**Actual 2023**
Third-party management fees	$ 473	$ 400	$ 386
Third-party pursuit costs	30	5	21
Third-party custody fees	7	6	6
Third-party costs before performance	**510**	**411**	**413**
AIMCo costs, before performance	**240**	**256**	**222**
Total costs before performance	**750**	**667**	**635**
Third-party performance costs	162	273	242
AIMCo performance costs	135	145	116
Performance costs	**297**	**418**	**358**
Total costs	**$ 1,047**	**$ 1,085**	**$ 993**
Assets under management (AUM)			
Internally managed	$ 107,957	$ 112,419	$ 108,539
Externally managed	58,001	53,372	52,605
Total AUM at March 31	**$ 165,958**	**$ 165,791**	**$ 161,144**
Average AUM	$ 161,714	$ 163,420	$ 158,055
Total costs, basis points (bps)	**64.7**	**66.4**	**62.8**
Total costs before performance, bps	**46.3**	**40.8**	**40.2**
AIMCo costs before performance, bps	**14.8**	**15.7**	**14.1**

Total Costs

For the year ended March 31, 2024 (fiscal 2024), total costs were $1,085 million compared to the budget of $1,047 million and $993 million for the year-ended March 31, 2023 (fiscal 2023). The overall increase was driven by strong investment performance generated by several third-party managers partially offset by lower third-party management fees, and costs incurred on AIMCo's Business Transformation program. In addition to the Business Transformation program, the increase from the prior year was driven by higher headcount, growth in assets under management (AUM) and strong third-party manager performance.

Third-Party Costs Before Performance

Third-party costs before performance were $99 million lower than budget and approximated fiscal 2023 results. Included in these costs are third-party management fees whose costs are based on invested or committed AUM depending on the nature and maturity of the fund. Lower commitments than budgeted to some third-party fund managers and the internalization of externally managed AUM resulted in costs under budget. The increase in third-party management fees compared to the prior year is driven by growth in external AUM.

Third-party pursuit costs are non-recurring in nature and are driven by the amount of capital deployed, number of investment pursuits and complexity of each investment activity resulting in cost fluctuations in any given period.

AIMCo Costs Before Performance

AIMCo costs before performance were $256 million in fiscal 2024 compared to $240 million in budgeted costs and $222 million incurred in fiscal 2023. The increase from budget is primarily driven by AIMCo's Business Transformation program which commenced in April 2023 and was not sufficiently advanced at the time of budget preparation. The increase over fiscal 2023 is primarily driven by AIMCo's Business Transformation program and an increase in headcount to support the execution of AIMCo's Corporate Strategy.

Performance Costs

Performance costs are difficult to budget as they largely depend on future investment performance. Third-party performance costs of $273 million in fiscal 2024 were driven by strong performance from third-party fund managers that delivered returns in excess of benchmarks. Higher AIMCo performance costs than budget was due to strong corporate objective and team results realized for calendar 2023 and strong investment performance over the four-year period ended December 31, 2023. Higher year-over-year headcount drove the increase in AIMCo performance costs from fiscal 2023.

Financial Statements

Alberta Investment Management Corporation

Consolidated Financial Statements

For the year ended March 31, 2024

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 Evan Siddall]

Evan Siddall
Chief Executive Officer

[Original signed by Paul Langill]

Paul Langill
Chief Financial Officer

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, 2024, 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, 2024, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance 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, 2024
Edmonton, Alberta

Consolidated Statement of Financial Position

As at March 31, *(Thousands of Canadian dollars)*	**2024**	**2023**
Financial assets		
Cash and cash equivalents (Note 5)	$ 56,974	$ 42,957
Accounts receivable	46,732	39,104
Other assets	2,037	-
	105,743	82,061
Liabilities		
Accounts payable and accrued liabilities	13,890	8,279
Accrued employment liabilities (Note 6)	106,258	92,852
Advance from the Province of Alberta (Note 7)	25,000	25,000
Pension liabilities (Note 8)	6,332	5,759
Deferred lease inducement	4,084	1,469
	155,564	133,359
Net debt	(49,821)	(51,298)
Non-financial assets		
Tangible capital assets (Note 9)	36,913	40,200
Prepaid expenses	16,555	14,745
	53,468	54,945
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 Ken Kroner]

Ken Kroner

Vice Chair, Board of Directors

[Original signed by Joel Hunter]

Joel Hunter

Audit Committee Chair

Consolidated Statement of Operations

For the year ended March 31, *(Thousands of Canadian dollars)*	2024 Budget (Note 18)	2024	2023
Revenue			
Cost recoveries	$ 1,046,425	$ 1,080,050	$ 990,581
Interest income	-	4,254	2,557
Total revenue	1,046,425	1,084,304	993,138
Expenses			
Third-party investment management fees (Note 11)	473,374	399,616	386,097
Third-party performance fees (Note 11)	162,285	273,056	242,268
Third-party other fees (Note 11)	36,543	10,965	27,049
Salaries, wages and benefits	257,459	276,253	222,355
Business technology and data services	53,806	57,408	43,080
Amortization of tangible capital assets (Note 9)	17,386	15,018	21,064
Contract and professional services	19,883	21,527	30,927
Rent	12,237	14,069	8,062
Administrative expenses	13,142	16,063	10,871
Interest	310	329	1,365
Total expenses	1,046,425	1,084,304	993,138
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)*	2024 Budget (Note 18)	2024	2023
Annual surplus	$ -	$ -	$ -
Acquisition of tangible capital assets (Note 9)	(21,266)	(11,742)	(10,552)
Net loss on disposal of tangible capital assets (Note 9)	-	11	-
Write-downs of tangible capital assets (Note 9)	-	-	1,210
Amortization of tangible capital assets (Note 9)	17,386	15,018	21,064
Change in prepaid expenses	-	(1,810)	(3,630)
Decrease (Increase) in net debt in the year	(3,880)	1,477	8,092
Net debt at beginning of year	(51,298)	(51,298)	(59,390)
Net debt at end of year	$ (55,178)	$ (49,821)	$ (51,298)

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)*	**2024**	**2023**
Operating transactions		
Annual surplus	$ -	$ -
Non-cash items:		
Amortization of tangible capital assets (Note 9)	15,018	21,064
Write-downs of tangible capital assets (Note 9)	-	1,210
Loss on disposal of capital assets (Note 9)	11	
Change in deferred lease inducement	2,615	(125)
Change in pension liabilities (Note 8)	573	452
	18,217	22,601
(Increase) in accounts receivable	(7,628)	(7,148)
(Increase) Decrease in other assets	(2,037)	2,416
(Increase) in prepaid expenses	(1,810)	(3,630)
Increase (Decrease) in accounts payable and accrued liabilities	5,611	(7,792)
Increase (Decrease) in accrued employment liabilities	13,406	(68,488)
Cash provided by (applied to) operating transactions	25,759	(62,041)
Capital transactions		
Acquisition of tangible capital assets (Note 9)	(11,742)	(10,552)
Cash (applied to) capital transactions	(11,742)	(10,552)
Financing transactions		
Debt retirements (Note 7)	(25,000)	(68,349)
Debt issues (Note 7)	25,000	35,000
Cash (applied to) financing transactions	-	(33,349)
Increase (Decrease) in cash and cash equivalents	14,017	(105,942)
Cash and cash equivalents at beginning of year	42,957	148,899
Cash and cash equivalents at end of year	$ 56,974	$ 42,957
Supplementary information		
Cash used for interest	$ 180	$ 840

The accompanying notes are part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2024 (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 $165.8 billion (2023: $161.1 billion) at March 31, 2024, 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 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:

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.

Adjustments are made for AIM Corporation US LLC, whose fiscal year end is December 31, 2023. Significant transactions in the stub period have been recorded.

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 $399,616 (2023: $386,097), third-party performance fees, which are recorded as $273,056 (2023: $242,268), accrued employment liabilities, which are recorded as $106,258 (2023: $92,852) and pension liabilities, which are recorded as $6,332 (2023: $5,759) 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.

b) Measurement Uncertainty (continued)

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 the accrual basis of accounting.

Cost recovery revenue

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.

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, also 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 and the unsecured credit facility.

e) 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 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 Consolidated Statement of Operations (2024 and 2023: $nil).

Other Assets
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.

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.

<u>Tangible Capital Assets</u>
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 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 disposed 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 write-downs of $nil (2023: $1,210) and net loss on disposal of $11 (2023: $nil) are accounted for as expenses in the Consolidated Statement of Operations.

<u>Prepaid Expenses</u>
Prepaid expenses are recorded at cost and recognized over the terms of the agreements.

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

i) Employment Benefits (continued)

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.

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:

The Conceptual Framework for Financial Reporting in the Public Sector
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.

PS 1202 Financial Statement Presentation
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)*	**2024**	**2023**
Canadian bank account	$ 53,562	$ 41,951
US bank account	1,219	60
British Pound Sterling bank account	1,712	946
Singapore bank account	481	-
	$ 56,974	$ 42,957

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, 2024, the ending CLS balance was $nil (2023: $nil). The CLS generated interest income of $2,625 (2023: $nil). The Corporation's Canadian dollar bank account generated interest amount of $1,629 (2023: $1,716). The replaced Consolidated Cash Investment Trust Fund generated interest income of $nil (2023: $841).

NOTE 6
ACCRUED EMPLOYMENT LIABILITIES

As at March 31, *(Thousands of Canadian dollars)*	2024	2023
Corporate incentive plan (a)	$ 68,229	$ 39,607
Long-term incentive plan (b)	22,980	40,112
Restricted fund unit incentive plan (c)	9,409	7,288
Accrued vacation, salaries and benefits (d)	5,640	5,845
	$ 106,258	$ 92,852

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, 2024 was $120,955 (2023: $88,407) which was recorded in salaries, wages and benefits.

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, 2024 were $28,484 (2023: $58,497). Total expenses related to the LTIP for the year ended March 31, 2024 were $10,919 (2023: $17,222) and recorded in salaries, wages and benefits.

NOTE 6
ACCRUED EMPLOYMENT LIABILITIES (continued)

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, 2024 are $14,192 (2023: $17,570). Total expenses related to the RFU plan for the year ended March 31, 2024 were $12,705 (2023: $9,537) and recorded in salaries, wages and benefits.

d) Accrued Vacation, Salaries and Benefits

Accrued vacation, salaries and benefits includes termination benefit accruals of $858 (2023: $2,546). Total termination benefit expenses were $3,341 (2023: $3,645).

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 (2023: $35,000) and repaid $25,000 (2023: $68,349) to the Province of Alberta for the year ended March 31, 2024.

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 $180 (2023: $840) and included in the Consolidated Statement of Operations. At March 31, 2024, 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)*	2024	2023
Accrued retirement obligation		
Beginning of year	$ 11,778	$ 10,910
Current service cost	192	328
Interest cost	431	236
Benefits paid	(269)	(282)
Actuarial loss	2,078	586
End of year	14,210	11,778
Plan assets		
Fair value, beginning of year	4,094	4,243
Actual return on plan assets	240	(41)
Employer contributions	59	87
Employee contributions	59	87
Benefits paid	(269)	(282)
End of year	4,183	4,094
Funded status - plan deficit	(10,027)	(7,684)
Unamortized net actuarial loss	3,695	1,925
Reported liability	$ (6,332)	$ (5,759)
Current service cost	192	328
Interest cost	431	236
Expected return on plan assets	(146)	(89)
Amortization of net actuarial loss	214	151
Less: employee contributions	(59)	(87)
Total SRP expense	$ 632	$ 539

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, 2021. An extrapolation of the actuarial valuation dated December 31, 2021 was performed to March 31, 2024.

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

As at March 31,	2024	2023
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,	2024	2023
Annual discount rate	3.1%	3.6%
Annual salary increase - base	4.0%	3.0%
Expected long-term return on plan assets	6.3%	7.3%
Inflation rate	2.3%	2.4%

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 $3,207 as at March 31, 2024 (2023: $2,661). A 1% increase in the salary scale assumption would result in an increase in the accrued retirement obligation by $1,525 as at March 31, 2024 (2023: $1,210). A 1% increase in the inflation rate assumption would result in an increase in the accrued retirement obligation by $1,517 as at March 31, 2024 (2023: $1,184).

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 $9,782 (2023: $7,704) for the year ended March 31, 2024 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, 2023, MEPP reported a surplus of $1,316,313 (2022: surplus of $924,735) and PSPP reported a surplus of $4,542,500 (2022: surplus of $4,258,721).

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	2024	2023
Cost					
Opening balance	$ 155,571	$ 8,681	$ 6,221	170,473	$167,394
Additions	8,478	2,858	406	11,742	10,552
Disposals	(2,890)	-	-	(2,890)	(6,263)
Write downs	-	-	-	-	(1,210)
Closing balance	161,159	11,539	6,627	179,325	170,473
Accumulated amortization					
Opening balance	123,093	2,027	5,153	130,273	115,472
Amortization expense	13,900	953	165	15,018	21,064
Effect of disposals	(2,879)	-	-	(2,879)	(6,263)
Closing balance	134,114	2,980	5,318	142,412	130,273
Net book value at March 31	$ 27,045	$ 8,559	$ 1,309	$ 36,913	$ 40,200

Cost includes work-in-progress at March 31, 2024 totaling $6,009 (2023: $861) 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)*	2024	2023
Contributed surplus (a)	$ 3,647	$ 3,647
Share capital (b)	-	-
	$ 3,647	$ 3,647

a) Contributed Surplus

Contributed surplus of $3,647 (2023: $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 (2023: $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, 2024, 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 the third-party investment costs are asset administration, audit, compliance, valuation, and investment disposition and structuring costs incurred directly by the investment portfolios totaling $98,642 for the year ended March 31, 2024 (2023: $100,224).

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, 2024, assets under administration totaled $165.8 billion (2023: $161.1 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)*	**2024**	**2023**
Pension plans	$ 121,713,026	$ 114,288,179
Ministry of Treasury Board and Finance		
General revenue and entity investment funds	2,324,455	8,132,880
Endowment funds (including the Alberta Heritage Savings Trust Fund)	28,665,245	25,869,204
Insurance-related funds	12,909,273	12,608,847
Other Government Ministry investment funds	180,172	244,672
	$ 165,792,171	$ 161,143,782

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.

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

NOTE 12
ASSETS UNDER ADMINISTRATION (continued)

As at March 31, *(Thousands of Canadian dollars)*	**2024**	**2023**
Fixed income		
Fixed income	$ 31,157,683	$ 33,082,587
Private mortgages	5,794,244	4,755,536
Private debt and loan	6,752,889	6,322,436
Inflation sensitive		
Real estate	21,452,876	23,308,662
Infrastructure and renewable resources	25,124,296	22,954,188
Real return bonds and commodities	1,131,461	1,294,332
Equities		
Public equities and absolute return strategies	60,701,452	56,644,763
Private equity and venture capital	13,497,306	12,460,314
Overlays	180,333	319,569
Client Directed Trades	(369)	1,395
	$165,792,171	$161,143,782

Pursuant to the Ministerial Order no. 23/2008, the Corporation has made available a facility to access up to a maximum of $200,000 for letters of credit. This facility is utilized by the investment pools and at March 31, 2024 the balance outstanding against the facility was $39,666 (2023: $55,896).

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 $2,000,000 and is interest bearing at prime less 50 basis points or CDOR plus 45 to 65 basis points for the aggregate outstanding balance. 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, 2024, the outstanding balance against the facility was $nil (2023: $377,296) 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 (Key Management Personnel and their Close Family Members).

During the year ended March 31, 2024 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.

NOTE 13
RELATED PARTY TRANSACTIONS (continued)

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)*	**2024**	**2023[3]**
Revenues		
Direct cost recoveries [1]	$ 158,511	$ 166,873
Indirect cost recoveries [1]	94,424	83,747
Interest income	2,625	1,716
	255,560	252,336
Expenses		
Interest on advance from the Province of Alberta	44	211
Contracted services [2]	276	318
	320	529
Assets		
Accounts receivable [1]	10,706	10,191
Liabilities		
Accounts payable	242	22
Advance from the Province of Alberta	25,000	25,000
	$ 25,242	$ 25,022

1. Recovered from government funds, pension plans and other entities under common control.
2. Transacted with the Ministry of Treasury Board and Finance and other entities.
3. The 2023 total was restated due to including transactions with an entity we have now determined is not a related party. This reduced 2023 revenues by $60,975, expenses by $123, assets by $2,167 and liabilities by $5.

NOTE 14
SALARIES AND BENEFITS DISCLOSURE

The Corporation has included certain required disclosures in the Compensation Discussion & Analysis section of the 2023 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 $3,016 (2023: $nil) 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)*	**2024**
2025	$ 656
2026	656
2027	656
2028	656
2029	392
Thereafter	-
Total	$ 3,016

NOTE 16
CONTRACTUAL OBLIGATIONS

Contractual obligations of $224,197 (2023: $195,189) 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)*	**2024**
2025	$ 65,696
2026	37,492
2027	22,559
2028	15,380
2029	14,070
Thereafter	69,000
Total	$ 224,197

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
2024 BUDGET

The Corporation's budget for the year ended March 31, 2024 was approved by the Board of Directors in the amount of $1,046,425 on December 1, 2022.

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 of its clients are established organizations that have a proven history of payment.

As at March 31, 2024, 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.

b) Liquidity Risk (continued)

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 (2023: $250).

NOTE 20
APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of Directors on May 30, 2024.

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