Now and in the Future

2022 ANNUAL REPORT

AIMCo

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Overview

In a dynamic and rapidly evolving world, the journey to success lies in our ability to embrace change, adapt swiftly, and envision a future that is both promising and sustainable.

The path through 2022 was marked with milestones and transformative initiatives, but it is the vision we hold for the future that truly propels us forward.

Our actions now are critical to our clients' efforts to achieve their goals.

Our commitment to helping them secure a better financial future for the Albertans they serve is unwavering.

2022 Highlights

For the year ended December 31, 2022

$158.0B Assets Under Management

(3.4)%
Total AIMCo
Net Investment Return

(4.6)%
Balanced Funds
Net Investment Return

1.4%
Government & Specialty Funds
Net Investment Return

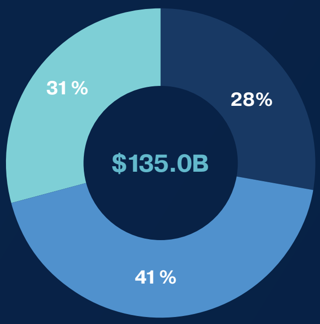
Long-Term Investment Performance

5.9%
Four-Year Annualized
Rate of Return

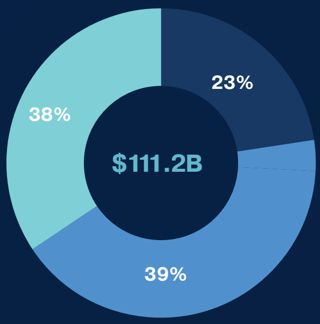
7.2%
Ten-Year Annualized
Rate of Return

$66.5B
Ten-Year Net
Investment Return

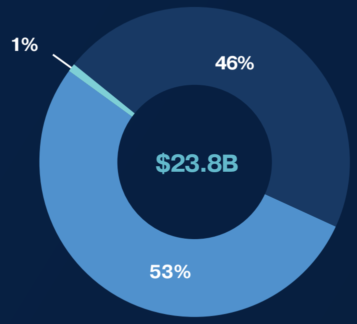
Asset Mix



AIMCo Total



Balanced Funds



Government & Specialty Funds

Public Equities

Money Market & Fixed Income
Money Market, Fixed Income,
Mortgages, Real Return Bonds,
Private Debt & Loan

Private Markets
Infrastructure, Real Estate,
Renewable Resources,
Private Equity

As of December 31, 2022

* Total AIMCo Fund calculations do not include $22.9 billion of assets that do not meet the required conditions for inclusion in AIMCo's excess returns as of December 31, 2022.

2022 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 is to help our clients secure a better financial future for the Albertans they serve.

Message from the Chair

"Albertans count on AIMCo.
It's a responsibility that we take very seriously."

Mark Wiseman
Chair of the Board of Directors

Over the course of 2022, I've witnessed the continuing evolution of AIMCo. From maturing risk management practices to industry-leading governance and a workplace offering employees an unprecedented level of autonomy — the pace of change has been remarkable. Yet, there is a deep understanding of why improvement must be continous — Albertans count on AIMCo. It's a responsibility that we take very seriously.

In my message last year, I commended the organization for delivering record investment performance. With markets as they were, the 2022 return was weaker but, notably, above the benchmark used to gauge the Investment team's performance.

Over the span of my career in investing, I've been humbled many times by volatile markets and economic factors. It is why those who know me understand my preoccupation with long termism. That approach is driving AIMCo's focus on strategy and adaptations that will better serve the needs of clients. It is imperative that the focus remains squarely there — clients' needs over the long term.

The Board of Directors was strengthened in 2022 with the additions of Theresa Whitmarsh and Bob Dhillon. They made an immediate impact with their expertise and willingness to contribute their insights. The Board and I thank them for their contributions.

Additional gratitude is in order for a pair of departed board members — Jacqueline Sheppard and Bob Kelly. Serving four and a half and two years respectively, both provided invaluable guidance and expertise as AIMCo evolved. On behalf of the Board and management, I offer my deepest thanks for their dedication.

This leads me to my own farewell. My tenure as Chair will conclude at the end of 2023 and I will leave with a sense of satisfaction, confident the organization is on a trajectory to delivering sustained long-term performance and results for Albertans.

I have many to thank for making my time at AIMCo so rewarding. My colleagues on the Board have been supportive and united in the execution of our duties. I could not have asked for a more ambitious, cooperative, transparent and collaborative executive team, led by CEO Evan Siddall. AIMCo employees remained open to change and committed to excellence.

As I move on, I will most fondly remember the concerted effort put forth by so many to strengthen the connection with our clients — and to deliver on the deeper purpose of helping them build a better financial future for the Albertans they serve.

Mark Wiseman
Chair of the Board of Directors

Message from the CEO

"I am confident that the rewards of our focused efforts now will be of great benefit to Albertans well into the future."

Evan Siddall
Chief Executive Officer

It has been a year of client-centred strategy and growth. Our team members dedicated their attention to delivering on our corporate strategy with its three focus areas — consistent, reliable service, an adaptable investment platform, and talent and culture. I am confident that the rewards of our focused efforts now will be of great benefit to Albertans well into the future.

I am incredibly proud of the executive leadership team we have assembled, adding half a dozen key individuals in 2022 to round it out. To the following leaders, thank you for answering the call and dedicating yourselves to our purpose:

Suzanne Akers, Chief Risk Officer
Denise Man, Chief Technology Officer
Paul Mouchakkaa, Executive Managing Director, Head of Real Estate
Krista Pell, Chief Human Resources Officer
Dr. Marlene Puffer, Chief Investment Officer
David Scudellari, Senior Executive Managing Director, Head of International Investment

With the leadership groundwork laid, several new initiatives are underway. A new Investment Strategy necessitates updates to our technology. Our ambition must also be supported by an up-to-date people and talent strategy.

The opening of our Calgary office in the fall was a highlight for us and signalled the beginning of plans for geographical expansion. One aspect of our Investment Strategy is the development of partnerships, and it is imperative that we have people in selected markets where we plan to focus efforts. Accordingly, we'll be opening an office in Singapore this year to address pan-Asian opportunities, with New York to follow.

One of the biggest fears of a CEO is that a rapid pace of change, if not handled properly, can overwhelm employees, eroding trust and job satisfaction. The impressive results of our regular employee engagement surveys continue to allay that concern with the metrics holding steady above our stretch target.

My hypothesis when I joined AIMCo in 2021 was that employees were keen for change and that the organization was saturated with motivated and dedicated people. The entire team deserves credit for their accomplishments over the course of 2022 and thanks in advance for the strategic efforts that continue.

Last year, in this message, I reflected on the erosion of trust between AIMCo and its clients. I am humbled to report a significant degree of improvement in the relationships. In our annual survey, our clients delivered a 48-point increase in net-promoter score — our primary metric by which we measure client satisfaction. I characterize this as a quantum shift, and I am grateful to our clients for acknowledging our efforts with a number of initiatives including the restructuring of our Public Equities platform and robust consultations on product descriptions, strategy, compensation and budget.

I assure you, we are not done yet.

With all of these positive developments, it is unfortunate that the conditions for investors were among the most challenging we've seen in years. Just one year after delivering record investment performance, our team navigated the market consequences of Russia's invasion of Ukraine, deglobalization, high inflation, a global re-assessment of risk premia and a resulting rise in interest rates. Our -3.4% investment return on the portfolio was above the benchmark return, although a negative result below what we were aiming for.

As always, I urge everyone to evaluate our investment performance over the longer term since that is our investment horizon. AIMCo's 10-year investment performance sits at 7.2%, 0.7% above the benchmark and equating to $67 billion in investment returns for our clients. If AIMCo's investment performance is of interest to you, I encourage you to give a detailed read of that section of this report. We offer a significant degree of transparency, both in the numbers we release, but also the commentary from our asset class teams. Their analysis of how their portfolios performed, how they are positioned and what they are watching for on the horizon is insightful and important context.

Finally, I will take my place at the front of the line of those at AIMCo expressing gratitude to our outgoing Board Chair, Mark Wiseman. He has been a source of wisdom and invaluable counsel from the moment the Board selected me as CEO. His feedback and support as we fine-tuned our corporate and investment strategies has made us markedly better. He has been generous to me with his introductions, his guidance and his feedback. It has been a career highlight of mine to work so closely with him and I thank him deeply for his leadership and his commitment to our clients and our province.

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 public sector pension plans representing hundreds of thousands of Albertans. Collectively, these plans account for $110.7 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, 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 $24.8 billion of AIMCo's assets under management.

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 $12.8 billion of AIMCo's assets under management and are invested in accordance with each client's investment policy, with an emphasis on stability and preservation of capital.

Government Funds

AIMCo manages many key government assets used to fund the ongoing operations of the Province. These funds have a lower risk tolerance to market fluctuations, reduced risk relative to Pension or Endowment clients and amount to $8.1 billion of AIMCo's assets under management. They are invested in fixed income products for stability, liquidity and preservation of capital and have a commensurately lower return expectation.

Specialty Funds

AIMCo manages the assets for select Specialty Funds, including some provincial arms-length organizations, which have unique objectives. In total, these assets represent $1.7 billion of assets under management at AIMCo. Each of these organizations aims to achieve a very specific mandate and we work closely with them to understand their needs and execute accordingly.

Balanced Fund

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, and Illiquids. 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.

Assets Under Management

By client type as of December 31, 2022

	Market Value ($Millions)	Asset Class[1] Money Market & Fixed Income	Equities[2]	Private Markets
Pension Plans				
Local Authorities	58,526	26%	35%	39%
Alberta Teachers' Retirement Fund[3]	22,269	18%	58%	24%
Public Service	17,074	17%	50%	33%
Management Employees	6,108	23%	40%	37%
Special Forces	3,852	28%	41%	31%
Universities Academic	2,236	27%	0%	73%
Judges Supplementary Retirement	242	40%	38%	22%
Judges	168	33%	39%	28%
Management Supplementary Retirement	178	30%	47%	23%
Endowment Funds				
Heritage Savings Trust	19,801	19%	37%	44%
Heritage Medical Research	2,225	19%	40%	41%
Heritage Scholarship Trust	1,465	20%	37%	44%
Heritage for Science and Engineering	1,327	19%	39%	42%
Government Funds				
Cash Reserve Account	4,018	100%	0%	0%
General Revenue	3,571	100%	0%	0%
Long Term Disability Bargaining Unit	234	46%	36%	18%
Unclaimed Property Fund	134	100%	0%	0%
Alberta Risk Management Fund	72	100%	0%	0%
Long Term Disability Management	41	44%	33%	23%
A.L. Sifton Estate	1	100%	0%	0%
Insurance Funds				
Workers' Compensation Board – Alberta	12,112	29%	34%	37%
Credit Union Deposit Guarantee	393	100%	0%	0%
Agriculture Crop Insurance	263	100%	0%	0%
Specialty Funds				
Alberta Health Services	1,413	77%	20%	3%
Alberta Securities Commission	116	70%	30%	0%
City of Medicine Hat	105	40%	60%	0%
Special Areas Long Term Account	32	100%	0%	0%
AIMCo Retirement Compensation Arrangement Fund	2	44%	56%	0%

1. Asset class weights are per AIMCo's categorization criteria.
2. Includes Canadian Equity, Global Equity, Global Small Cap Equity, Emerging Market Equity and Global Minimum Variance.
3. Asset mix calculation does not include portfolio construction market value of $33 million.

Investment Performance

CIO Q&A

Dr. Marlene Puffer
Chief Investment Officer

How would you characterize 2022 for investors?

Last year will be remembered for the onset of a polycrisis, a situation in which overlapping global risks compound to challenge global growth. In 2022, investors experienced inflation rates not seen for decades, the Russian invasion of Ukraine followed by a commodity price shock, China's zero-COVID lockdowns, the U.K. mini budget and pension crisis that disrupted long-term bond markets and the most aggressive monetary policy tightening cycle by major central banks on record. In addition, the cryptocurrency market, to which AIMCo has no direct exposure, was hit by crisis and scandal. The collection of these circumstances weighed on risk assets throughout the year, especially in public markets.

What were some of the highlights from a performance perspective?

Despite the global headwinds, AIMCo delivered a -3.4% total fund net investment return, outperforming the benchmark by 1.9%*. Overall, the diversified portfolio construction of exposure to public and private assets helped mitigate the negative impact of the challenging macroeconomic backdrop. Inflation-sensitive portfolios, such as Infrastructure (16.8%), Renewable Resources (25.7%), Private Debt & Loan (6.2%) and Real Estate (4.6%) delivered the strongest returns. Our defensive and disciplined positioning, prudent underwriting process, active risk and liquidity management, and constant deployment of capital seeking the best risk-adjusted returns, contributed to resiliency, even during a market downturn.

*Small differences in the 2022 excess return may be observed in this report, due to rounding.

What were some of the challenges?

Reflecting on portfolio and asset class performance of 2022, what stands out was the negative return in bonds and their unusually strong positive correlation to equity markets. For only the fourth time in 90 years, bonds and equities declined in value together. Overall, it was an extremely tumultuous year in public markets. The S&P 500 recorded its seventh worst year of return since 1920, while some bond indices were down by close to 15%, the worst returns for almost five decades.

What are your expectations for 2023?

In 2023, the whispers of recession are lingering, which could transpire within the calendar year. Even though many central bank officials have paused interest rate increases, the impact of the fastest rate hiking cycle on record is starting to be felt across various industries, most notably in the regional banking sector in the U.S.

Bond markets and yield curves have an impressive track record of forecasting recessions. An inverted yield curve — which has historically been the most accurate predictor of recessions — continues to send warnings, in many cases inverting to a degree not seen since the early 1980s.

With these conditions in mind, we are being surgical in terms of where we are putting new capital, and taking measures to make sure clients' portfolios are positioned appropriately for the circumstances and their risk profiles.

What are you doing now, to prepare for the future?

From an investment perspective, our most important initiative is the implementation of a new Investment Strategy to meet client needs for net total returns and adaptive solutions. The changes focus on more targeted active management where we have an identifiable edge, geographic expansion and diversification, and a coordinated approach to total portfolio management and strategic partnerships. We will focus more on total return while continuing to add value through active management. The work underway supports a critical objective for our organization — to deliver persistent, superior risk-adjusted net total returns for our clients, as defined by their needs.

7.2%
Ten-Year Annualized Rate of Return

5.1%
Five-Year Annualized Rate of Return

5.9%
Four-Year Annualized Rate of Return

(3.4)%
Total AIMCo Net Investment Return

(5.3)%
Benchmark

$2.6B
Return Relative to Benchmark

	2022	2021	2020	2019	2018
Total AIMCo	(3.4)%	14.7%	2.5%	10.6%	2.3%
Benchmark	(5.3)%	8.0%	8.0%	11.1%	1.3%
Return Relative to Benchmark (millions)	**$2,568**	**$7,749**	**($5,489)**	**($522)**	**$940**

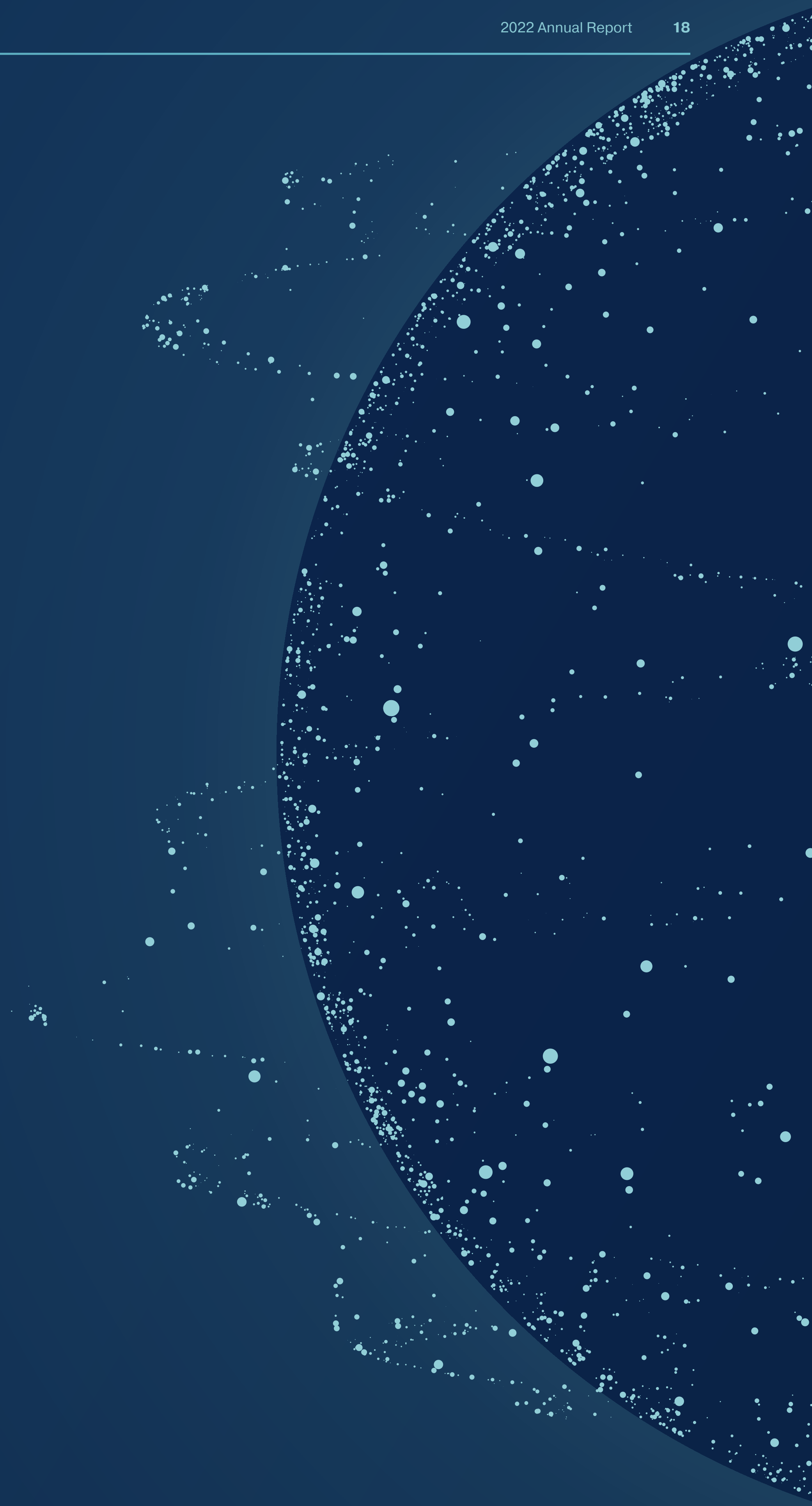
In a challenging year for investors, AIMCo's total portfolio outperformed its benchmark, buoyed by strong returns from the Infrastructure, Renewable Resources, Private Debt & Loan, and Real Estate portfolios, as well as outperformance in Public Equities and Fixed Income.

Asset Class Performance

For the year ended December 31, 2022

Asset Class	Market Value ($millions)	Annualized Net Returns (%) 1 yr	2 yr	3 yr	4 yr	5 yr	Calendar Year Net Returns (%) 2022	2021	2020	2019	2018
Total AIMCo Fund Aggregate[1]	**$135,030**	**(3.4)**	**5.2**	**4.3**	**5.9**	**5.1**	**(3.4)**	**14.7**	**2.5**	**10.6**	**2.3**
Benchmark		(5.3)	1.1	3.4	5.2	4.4	(5.3)	8.0	8.0	11.1	1.3
Balanced Funds Aggregate	**$111,242**	(4.6)	5.3	4.4	6.2	5.4	(4.6)	16.2	2.6	11.8	2.5
Benchmark		(6.1)	1.1	3.6	5.8	4.9	(6.1)	8.9	8.9	12.5	1.4
Government Funds Aggregate	**$23,789**	1.4	3.2	2.8	3.3	2.9	1.4	5.0	2.2	4.8	1.3
Benchmark		(1.7)	0.2	1.2	2.1	1.9	(1.7)	2.1	3.4	4.7	1.2
Public Markets											
Aggregate Public Investments	**$79,454**	**(8.9)**	**0.7**	**2.5**	**4.9**	**3.6**	**(8.9)**	**11.2**	**6.4**	**12.4**	**(1.3)**
Benchmark		(9.6)	(1.2)	2.5	5.0	3.8	(9.6)	8.0	10.3	13.0	(0.8)
Money Market and Fixed Income[2]	**$36,976**	**(8.1)**	**(4.7)**	**(0.7)**	**1.0**	**1.1**	**(8.1)**	**(1.1)**	**7.8**	**6.2**	**1.7**
Benchmark		(9.2)	(5.8)	(1.6)	0.2	0.4	(9.2)	(2.2)	7.3	5.9	1.2
Money Market[3]	**$703**	1.7	1.0	1.1	1.3	1.3	1.7	0.2	1.2	1.9	1.6
Benchmark		1.7	0.9	0.9	1.1	1.2	1.7	0.2	0.9	1.6	1.4
Universe Bonds	**$13,720**	(11.8)	(7.2)	(1.8)	0.5	0.8	(11.8)	(2.3)	9.9	7.8	1.9
Benchmark		(11.7)	(7.2)	(2.2)	(0.0)	0.3	(11.7)	(2.5)	8.7	6.9	1.4
Mortgages	**$4,616**	(5.0)	(2.0)	1.7	2.8	3.1	(5.0)	1.2	9.4	6.0	4.7
Benchmark		(6.1)	(3.6)	0.3	1.9	1.8	(6.1)	(1.1)	8.7	6.9	1.4
Fixed Income Long-Term	**$5,864**	(23.0)	(14.4)	(6.1)	(1.7)	(1.2)	(23.0)	(4.8)	13.0	12.8	0.9
Benchmark		(22.6)	(14.3)	(6.3)	(2.0)	(1.5)	(22.6)	(5.1)	12.1	12.2	0.5
Private Debt and Loan	**$6,138**	6.2	7.4	6.9	6.3	5.8	6.2	8.5	5.9	4.4	4.0
Benchmark		(0.1)	(0.5)	1.4	1.8	1.8	(0.1)	(0.9)	5.3	3.1	1.9
Real Return Bonds	**$1,296**	(14.2)	(6.6)	(0.3)	1.8	1.5	(14.2)	1.7	13.7	8.3	0.1
Benchmark		(14.3)	(6.6)	(0.5)	1.6	1.3	(14.3)	1.8	13.0	8.0	(0.0)
Segregated Assets - Short Term[4]	**$4,018**	1.7	0.9	0.8	1.0	1.1	1.7	0.1	0.6	1.7	1.4
Benchmark		1.6	0.9	0.8	1.0	1.1	1.6	0.1	0.7	1.7	1.3
Segregated Assets - Long Term	**$621**	(5.1)	(3.2)	(0.3)	0.5	0.8	(5.1)	(1.2)	5.6	3.2	1.9
Benchmark		(4.8)	(3.0)	(0.4)	0.3	0.6	(4.8)	(1.2)	5.1	2.5	2.0
Public Equity[2]	**$42,246**	**(10.0)**	**5.4**	**4.8**	**8.1**	**5.4**	**(10.0)**	**23.4**	**3.7**	**18.5**	**(4.6)**
Benchmark		(10.6)	2.7	5.8	9.3	6.7	(10.6)	18.1	12.2	20.3	(3.1)
Canadian Equity	**$7,890**	(5.1)	11.3	6.2	9.7	5.4	(5.1)	30.5	(3.4)	20.8	(10.1)
Benchmark		(5.8)	8.5	7.5	11.2	6.8	(5.8)	25.1	5.6	22.9	(8.9)
Global Equity	**$23,733**	(11.4)	5.8	5.7	9.2	6.9	(11.4)	26.2	5.6	20.2	(1.8)
Benchmark		(12.2)	3.0	6.5	10.0	7.8	(12.2)	20.8	13.9	21.2	(0.5)
Global Minimum Variance	**$2,015**	(2.4)	6.0	4.5	5.7	4.6	(2.4)	15.1	1.5	9.4	0.6
Benchmark		(2.7)	5.1	3.4	6.5	6.1	(2.7)	13.5	0.1	16.6	4.2
Emerging Market Equity	**$5,611**	(14.7)	(7.2)	(2.7)	0.5	(1.3)	(14.7)	1.0	7.0	10.6	(8.2)
Benchmark		(14.3)	(9.0)	(1.3)	2.0	0.2	(14.3)	(3.4)	16.2	12.4	(6.9)
Global Small Cap Equity	**$2,997**	(7.8)	6.4	5.9	8.6	5.2	(7.8)	22.8	4.8	17.2	(7.2)
Benchmark		(12.9)	0.0	4.4	8.1	5.1	(12.9)	14.8	13.9	19.8	(6.1)
Private Markets	**$55,577**	**7.8**	**15.7**	**7.5**	**7.1**	**8.2**	**7.8**	**24.1**	**(7.2)**	**6.0**	**12.8**
Benchmark		4.2	6.0	4.7	5.0	5.6	4.2	7.8	2.3	6.0	8.0
Private Equities[5]	**$11,916**	0.5	30.1	22.0	17.2	16.7	0.5	68.5	7.2	3.8	14.7
Benchmark		4.2	6.5	7.0	7.3	7.5	4.2	8.8	8.1	8.2	8.2
Real Estate	**$22,973**	4.6	9.5	1.1	1.8	3.8	4.6	14.5	(13.6)	4.0	12.2
Benchmark		1.8	4.7	2.2	2.8	4.1	1.8	7.8	(2.6)	4.7	9.5
Infrastructure	**$17,422**	16.8	17.9	10.2	9.5	10.4	16.8	19.0	(3.5)	7.4	13.7
Benchmark		8.2	7.5	7.0	6.8	6.7	8.2	6.8	6.1	6.2	6.2
Renewable Resources	**$3,045**	25.7	20.2	10.7	12.1	12.6	25.7	15.0	(6.0)	16.1	15.0
Benchmark		7.7	7.3	6.9	6.7	6.6	7.7	6.8	6.1	6.2	6.2
AIMCo Strategic Opportunities Pool	**$221**	(21.3)	(12.6)	(9.2)	(2.6)	(2.5)	(21.3)	(2.9)	(2.0)	20.3	(2.2)
Benchmark		(12.2)	3.0	6.5	10.0	7.8	(12.2)	20.8	13.9	21.2	(0.5)

1. Total AIMCo Fund calculations do not include $22,948 million of assets that do not meet the required conditions for inclusion in AIMCo's excess returns as of December 31, 2022.
2. Money Market & Fixed Income, Public Equity Total Market Value does not include Tactical & Overlay Program notional exposures in this asset class.
3. Money Market Total Market Value does not include cash held by AIMCo investment pools.
4. Segregated Assets - Short Term includes Cash Reserve Account in both portfolio and benchmark returns.
5. 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, 2022

Money Market and Fixed Income	*Composite benchmarks of AIMCo products included in the asset class*
Money Market[1]	FTSE Canada 30-Day T-Bill Index
Fixed Income Mid-Term	FTSE Canada Universe Bond Total Return Index
Fixed Income Long-Term	FTSE Canada Long-Term All Government Bond Total Return Index
Mortgages	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[2]	40% S&P/LSTA Leveraged Loan Index + 40% S&P European Leveraged Loan Index + 0.90% (CAD hedged)
Segregated Assets - Short Term[3]	FTSE Canada 30-Day T-Bill Index
Segregated Assets - Long Term	FTSE Canada 91-Day T-Bill Index, FTSE Canada Short-Term Government Index, FTSE Canada Mid-Term Government Index
Equities	*Combination of benchmarks of the sub asset classes*
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	*Combination of benchmarks of the sub asset classes*
Private Equity	Total CPI 1 Month Lagged + 650 bps (5-year rolling average)
Private Equity, ATRF[4]	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[5,6]	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[4]	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
Innovative Investing	Total CPI 1 Month Lagged + 650 bps (5-year rolling average)
Tactical Asset Allocation Overlays	N/A

1. Effective October 3, 2022. Prior to this date, the product benchmark was the FTSE Canada 91-Day T-bill Index.
2. Effective January 1, 2022. Prior to this date, the product benchmark was the FTSE Canada Short-Term Overall Index.
3. Segregated Assets - Short Term benchmark includes Cash Reserve Account proxy benchmark.
4. ATRF (Alberta Teachers' Retirement Fund) benchmarks were added as of January 1, 2022.
5. ATRF Real Estate benchmark was added as of March 1, 2022.
6. Effective September 1, 2022. Prior to this date, the ATRF Real Estate benchmark was the MSCI Global Property Fund Index (hedged to CAD).

Asset Class Overviews

Public Equities

8.1%
Four-Year Annualized Return

$42.2B
Market Value

(10.0)%
Net Return

(10.6)%
Benchmark Return

0.6%
Excess Return

Purpose

The Public Equities team manages $42.2 billion in public equities assets across a suite of products covering domestic, global, and emerging market portfolios. The underlying strategies that make up the Public Equities portfolio are optimized allocations across several dimensions, including factor, sector, and regional exposures 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

Global equity markets were challenged on many fronts in 2022. Inflation moved steadily higher in 2022, reaching a multi-decade high. Central banks responded around the world to control prices and as a result have embarked on one of the swiftest tightening cycles many investors have ever witnessed. Also contributing to equity market volatility were rising geopolitical risks, most notably the tragic invasion of Ukraine by Russia and increasing tension between the Unites States and China.

Most developed market indices declined over the first three quarters of the year, significantly impacting annual returns. The Canadian Equities Master Pool returned -5.1% while the Global Equity Master Pool returned -11.4%. The Emerging Markets Master Pool generated a return of -14.7%, weighed down by largely negative performance from China. The Global Minimum Variance Pool and the Global Equity Small Cap Pool returned -2.4% and -7.8%, respectively. The public equities products collectively outperformed their respective benchmarks by 0.6%. The excess return generated in 2022 is largely attributable to Global, Canadian, and Small Cap equity products while emerging market equities products slightly underperformed.

For the second consecutive calendar year, value outperformed growth during 2022, as higher interest rates and cost inflation hurt many long duration, growth-led sectors such as Information Technology, which was down significantly. Historically, when policy interest rates rise in a central bank tightening cycle, earnings multiples tend to drop. The tailwind to value benefited the stock selection within many fundamental active strategies. A relatively wide dispersion of returns across global indices also created the conditions for discretionary investors to add value. Across the systematic strategies, most multi-factor strategies outperformed their benchmarks, but had negative returns on an absolute basis. Global Small Cap and North American Systematic Equity Strategies contributed the most to relative performance. The broader equity portfolio also benefited from conservative overall market exposure throughout the year.

Looking Ahead

Caution on global public equities remains warranted into 2023 due to historically high and persistent inflation, tight labour markets, and geopolitical concerns in multiple spheres. Equity markets have been hesitant to price in the potential for corporate margin compression, the expected decline in earnings, and the potential for various economic "landing" scenarios. The portfolios remain cautiously positioned from an active risk perspective, and despite the uncertainty in markets, we continue to believe this environment will provide robust opportunities for positive risk-adjusted returns.

Long term, the team expects the 2022 redesign of the product platform, completed in consultation with clients, to better meet client needs from a market exposure, total portfolio liquidity and active risk perspective.

Investment by Sector

Financials	18.5%
Information Technology	17.0%
Industrials	10.6%
Health Care	10.2%
Consumer Discretionary	9.8%
Energy	8.0%
Consumer Staples	7.1%
Telecommunication Services	6.9%
Materials	6.5%
Utilities	3.0%
Real Estate	2.4%

Asset Class Overviews

Money Market & Fixed Income

1.0%
Four-Year Annualized Return

$37.0B
Market Value

(8.1)%
Net Return

(9.2)%
Benchmark Return

1.1%
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

In supporting the Government of Alberta Treasury Board & Finance transition to a new liquidity management platform, AIMCo and the Government collaborated in the winding down of the Consolidated Cash Investment Trust Fund (CCITF) during 2022. The CCITF was replaced with a new pooled portfolio, Money Market Pool (MMP). 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, pension funds and investment grade corporations. Money market rates increased over the year with the Bank of Canada's target for the overnight target rate ending the year at 4.25%. The increase in interest rates and wider credit spreads enabled some excess returns to be generated for the year. MMP outperformed its benchmark by 0.1% and returned 1.0% between its October launch date and calendar year end. CCITF had a return of 1.0% and excess return of 0.1% between January 1, 2022, and its October closing date.

Public Fixed Income

In 2022, fixed income markets experienced overall weak returns primarily attributed to the sustained rise in interest rates implemented by central banks in their efforts to stabilize inflation throughout the year. This resulted in a significant increase in bond yields, reaching levels not seen in over ten years. Consequently, the yield curve inverted, with short-term yields surpassing long-term yields, historically indicating an impending recession. Furthermore, credit markets performed poorly, experiencing widening spreads for much of the year. These circumstances arose from concerns about an economic downturn, coupled with worries about underperformance in the credit market and the potential for corporate defaults.

Towards the year's end, however, credit spreads began to narrow as the prospect of inflation and the conclusion of central bank tightening became more foreseeable. Nonetheless, public fixed income portfolios suffered substantial negative returns for the year, slightly underperforming benchmarks. The Universe Bond portfolio experienced an 11.8% decline, below the benchmark by 0.1%, while the Long Bond portfolio dropped by 23.0% with a negative excess return of 0.4%. The negative returns of 2022 caused longer-term absolute returns to reverse, approaching zero or becoming negative. Despite the negative excess returns in 2022, relative returns over the long term remained markedly positive.

The portfolios were conservatively positioned in 2022, with an overweight in credit markets primarily contributing to negative excess returns. Investments in collateralized loan obligations and fixed income relative value strategies provided a headwind to relative returns.

Real Return Bonds

Real Return bonds also had negative returns in 2022 of -14.2%. The portfolio outperformed, adding 0.1% of excess return over the year.

Realized inflation in Canada peaked at an annualized rate of 8.1% for the Consumer Price Index (CPI) in 2022 which was the highest level since the early 1980s. This inflation dynamic increased break-even inflation yields that ended the year towards the upper end of their historical ranges.

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 with lower return volatility.

The portfolio generated a 6.2% net return for the year 2022, outperforming the benchmark by 6.3%. The return was driven by a diversified, resilient portfolio consisting of primarily senior secured, floating rate loans that sit at the top of the capital structure and benefit from a rising or high interest rate environment.

Private Mortgages

This portfolio provides a steady cash flow and premium return over government bonds, aligned with the long-term objectives of our clients. The Mortgages portfolio returned -5.0% during 2022, outperforming its benchmark by 1.1%.

The absolute return of the portfolio was driven by increasing government bond yields and credit spread volatility, led by the central bank tightening cycle which began in April 2022. The portfolio outperformed mainly due to short duration positioning compared to the benchmark. The real estate sector continues to be impacted by the COVID-19 pandemic, particularly the office segment as work-from-home continues in most major markets.

Looking Ahead

With many uncertainties entering 2023, the public fixed income portfolios were positioned cautiously entering the year with lower-than-average active risk levels. Duration positioning remains slightly longer than the benchmark with higher yields and uncertainty around macroeconomic, financial system, and geopolitical risks being elevated. This conservative positioning enables the portfolios to be more tactical and pivot active risk deployment as the broader economy and market dynamics evolve and become clearer throughout the year.

The Private Debt & Loan team remains focused on credit selection, portfolio diversification and a partnership approach to deliver stable, attractive risk-adjusted returns throughout a cycle.

In the wake of the significant increase in interest rates, the Mortgages group is proactively monitoring near-term loan maturities while stress-testing durability of property-level cash flows. The underlying loans are supported by strong underwriting discipline resulting in conservative loan economics that reflect the resiliency of the well-diversified portfolio.

Asset Class Overviews

Real Estate

1.8%
Four-Year Annualized Return

$23.0B
Market Value

4.6%
Net Return

1.8%
Benchmark Return

2.8%
Excess Return

Purpose

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

The domestic portfolio consists primarily of direct investments with joint venture partners in high-quality industrial, multi-family, office, and retail properties in Canada's major cities with greater focus on income generation. The international program, with investments in the U.K., Europe, U.S., Mexico and Asia, is opportunity-focused, investing directly and through co-investments with local operating and investment partners. AIMCo also participates in niche market sectors such as data centres, life-science properties and through externally managed opportunity funds.

Results

AIMCo's Real Estate portfolio earned a return of 4.6% and generated 2.8% in excess return for the year. The domestic portfolio generated a return of 7.3% and ended the year with a net asset value of $13.2 billion. For context, 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 an opportunistic strategy of "Build Core to Hold" that includes new construction and project development land, which carries higher levels of risk and return. The domestic portfolio return was driven by strong industrial and residential performance and offset by negative performance in the office portfolio. Higher interest rates and recession concerns are putting greater focus on liquidity and pressure on capitalization rates to rise.

The foreign portfolio generated a return of 0.2% and ended the year with a net asset value of $7.3 billion. The foreign program employs an opportunistic strategy of "Manufacturing Core to Sell" through the execution of a project business plan that includes major renovations and leasing to enhance value and new construction until completed. The foreign portfolio return was driven primarily by strong residential and industrial performance offset by underperformance of office in the United States. Similar to the Canadian market, liquidity and leverage will be greater areas of focus for the team while they also look for potential distressed or special situation opportunities.

For the past several years Real Estate has employed a strategy of repositioning the domestic and foreign portfolios towards industrial, multi-family and growing niche sectors like data centres to lean into the secular tailwinds. This repositioning has enabled AIMCo Real Estate to prepare for long-term performance in an evolving new economy and weather the impacts of COVID-19. Over 10 years, Canadian Real Estate achieved a rate of return of 6.0%, compared to a benchmark return of 5.5% and Foreign Real Estate achieved a rate of return of 8.0% compared to a benchmark return of 6.7%.

Looking Ahead

After an up and then down year in 2022 where equity drawdowns, high inflation and interest rate hikes began to have an impact on Real Estate pricing, volumes, and debt availability, 2023 has brought in a new risk related to a potential banking crisis. Refinancing risk is now heightened, particularly in the office sector.

In addition, Environmental, Social and Governance (ESG) considerations continue to be a big 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 expects its thematic investments in industrial, multi-family and niche sectors to continue to be a sound investment thesis against inflationary and recessionary pressures. Staying focused on long-term secular trends such as demand for housing, e-commerce, and increased health care spending will be a focus going forward.

Top 5 Real Estate Holdings

Property	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	Various	Toronto

Investment by Sector

Industrial	27.1%
Residential	21.5%
Office	21.3%
Retail	16.7%
Fund	10.1%
Equity	3.2%
Other Types	0.1%

Investment by Geography

Ontario	37.5%
U.S.	21.8%
Alberta	10.4%
U.K.	8.9%
Europe	7.4%
Other Canada	6.5%
British Columbia	6.1%
Quebec	0.7%
Mexico	0.6%
Asia	0.1%

Asset Class Overviews

Infrastructure

9.5%
Four-Year Annualized Return

$17.4B
Market Value

16.8%
Net Return

8.3%
Benchmark Return

8.5%
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

For 2022, the portfolio return was 16.8%, outperforming its benchmark by 8.5%. The portfolio performance was largely driven by the robust valuations of several investments within the portfolio. In particular, investments in the midstream and pipeline sector experienced strong macroeconomic tailwinds that resulted in valuation increases. Strong market demand for renewable energy assets increased valuations in this sector. Overall, the portfolio continues to benefit from the general resiliency of infrastructure assets through different economic challenges.

Looking Ahead

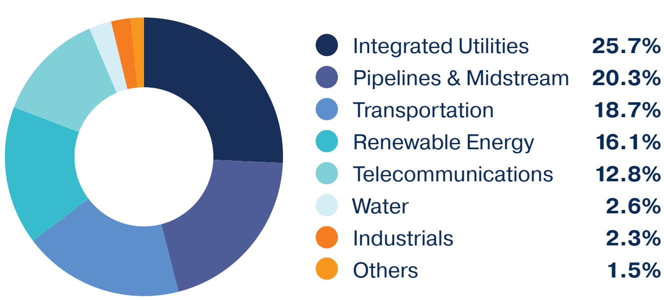
We are focused on the impacts of inflation, higher short-term interest rates and the possibility of slower growth as we underwrite new investments and manage portfolio companies. While volatility across public markets has impacted capital availability across financial markets, we continue to expect the demand for inflation-sensitive assets such as infrastructure and renewable resources to remain relatively robust through 2023 and beyond.

Renewable energy and other climate transition opportunities are increasingly important to AIMCo and other infrastructure investors given the significant capital requirements needed to lower carbon emissions globally in the coming decades. Additionally, a higher interest rate environment may provide attractive opportunities for making new infrastructure investments.

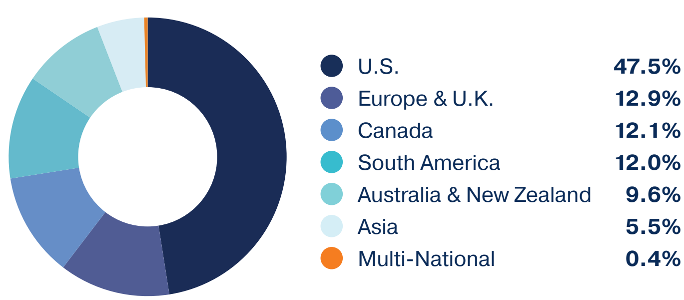
Top 5 Infrastructure Holdings

Company	Howard Midstream Energy	sPower / AES Clean Energy	Puget Energy Inc.	SAESA Group	Porterbrook
Sector	Pipelines & Midstream	Renewable Energy	Integrated Utilities	Integrated Utilities	Transportation
Geography	U.S.	U.S.	U.S.	Chile	U.K.

Investment by Sector



Investment by Geography



Asset Class Overviews

Private Equity

17.3%
Four-Year Annualized Return

$11.6B
Market Value

1.6%
Net Return

4.2%
Benchmark Return

(2.6)%
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 some of 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 $11.6 billion Core Private Equity* portfolio generated a return of 1.6% in 2022, underperforming the benchmark by 2.6%. Given a year of unprecedented volatility and macroeconomic turmoil, the relative stability of the Private Equity program reflects our commitment to investing alongside proven fund partners, as well as our co-investment selection process.

On a longer-term basis, the asset class continues to generate consistent excess return, delivering a 17.3% 4-year annualized net return, 10.0% above benchmark.

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

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

*All return information is exclusive of Venture Capital and Relationship Investing as they are deemed non-core. Additional information is available in the Asset Class Performance Table on page 17.

Looking Ahead

The global private equity investment landscape in 2022 was interesting, wherein the first half of the year saw a deal environment that carried over much of the momentum from 2021's record levels of activity. Transaction levels declined significantly in the second half of the year as macro-economic impediments impacted both deal volume and valuations.

Moving into 2023, persistent concerns of a potential economic downturn could impact growth prospects and transaction activity, as well as continue to depress valuations within the portfolio. However, as the year continues to unfold, these headwinds may begin to lessen and several factors, including more muted valuations and longer fundraising timelines for Funds could lead to potentially attractive investment opportunities. Historical trends indicate that Private Equity vintages following market dislocations can stand to deliver outsized performance returns, thereby reinforcing the need for the Private Equity team to remain patient and selective to try to capitalize on changing market dynamics.

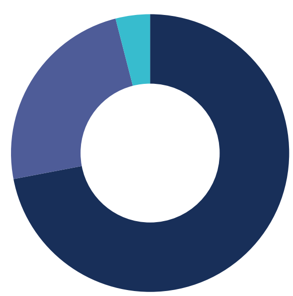
Top 5 Private Equity Holdings

Asset	New Mountain Capital V	Thoma Bravo XIII	Hayward Industries	Fortitude RE	BGIS
Sector	Fund – Diversified	Fund – Information Technology	Consumer	Financial Services	Business Services
Geography	North America	North America	North America	North America	North America

Investment by Sector

- Information Technology **34%**
- Consumer **16%**
- Healthcare **14%**
- Industrials & Materials **14%**
- Business Services **12%**
- Financials **10%**

Investment by Geography



- North America **72%**
- Western Europe **24%**
- Asia **4%**

Asset Class Overviews

Renewable Resources

12.1%
Four-Year Annualized Return

$3.0B
Market Value

25.7%
Net Return

7.7%
Benchmark Return

18.0%
Excess Return

Purpose

AIMCo's Renewable Resources program encompasses a global portfolio of land-centric, high-quality timberland and agricultural assets which 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 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 engrained 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

The AIMCo Renewable Resources team manages $3.0 billion in timberland and agricultural investments situated primarily in Australia and North America. During 2022, the Renewable Resources team deployed capital in two investments: Lawson Grains, one of Australia's largest corporate grains businesses; and Caddo Sustainable Timberlands, a large-scale, high-quality timberland plantation located in Texas and Louisiana.

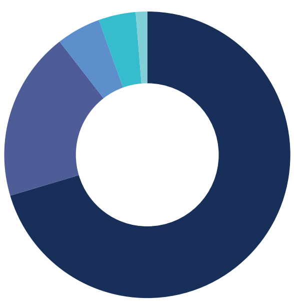
For 2022, the portfolio return was 25.7% which exceeded the benchmark. This strong performance was driven by significant rural land price appreciation globally, strong commodity prices, and positive operating results across much of the portfolio. High input costs, constrained labour markets, and adverse weather and fire events were challenges experienced by portfolio companies during the past year.

The Renewable Resources portfolio continues to perform well over the long term as investor interest in the positive attributes of the asset class remains high. Supporting continued strong performance is the robust global demand for agricultural and timber products which is expected to continue to increase, and alternative revenue streams such as carbon, conservation, biodiversity, and partnership opportunities with renewable energy producers. While their impact has been relatively limited to date, global macroeconomic uncertainty and rising interest rates could serve to moderate forward-looking returns in the short to medium term.

Looking Ahead

The Renewable Resources team is focused on continuing to diversify the portfolio through the introduction of additional tree species, livestock, and crop types, as well as the expansion of the program to new geographies. The team will also continue to optimize the existing portfolio through the conversion of land assets to their highest and best use and through the pursuit of alternative revenue streams. Renewable resources assets are well placed to play a role in the ongoing energy transition and the team will take a proactive, climate-forward approach to target investment opportunities with strong tailwinds and limited climate-related risk.

Investment by Geography



Australia	**70.4%**
U.S.	**19.1%**
Canada	**5.0%**
New Zealand	**4.2%**
Latin America	**1.3%**

Investment Spotlight

In our first foray into the North American rail sector, AIMCo acquired a 100% stake in **Cando Rail & Terminals**. One of North America's largest owners and operators of first and last mile rail infrastructure, Cando operates an inter-connected network of 40+ industrial railyards, 9 owned terminals and a short-line railroad.

AIMCo increased its stake in **Howard Energy Partners** to 87%. The diversified energy platform business with strategically located midstream and downstream assets in the U.S. aligns strongly with AIMCo Infrastructure's energy transition strategies.

AIMCo acquired **77 Wade**, a life science development site located in Toronto's Junction neighbourhood. Slated for completion in 2024, 77 Wade will be Toronto's premier, purpose-built life science building featuring state-of-the-art specifications offering flexible space requirements for biotechnology companies.

Sherborne Wharf is one of five multi-family assets situated in gateway cities around the U.K. acquired alongside specialist partner Ridgeback. The transaction more than doubled AIMCo's U.K. portfolio of rental apartments to more than 3,100 units.

Lawson Grains, one of Australia's largest corporate grains businesses, was acquired by the AIMCo Renewable Resources team in January 2022. The portfolio consists of over 100,000 hectares of land across 10 aggregations in the prime grain-growing regions of New South Wales and Western Australia.

AIMCo's Public Equities team completed a private placement with **Bank of Montreal**, providing our clients with an attractive, risk-adjusted capital solution with a strategic partner. The transaction is an example of the team's internal research capabilities, constructive long-term perspective on the Canadian banking sector, and commitment to sourcing differentiated deal flow on behalf of AIMCo's clients.

Baring Private Equity Asia (BPEA) VIII has been a leading pan-Asian private equity investor for over 25 years. The transaction forms an important part of AIMCo Private Equity's continued expansion into Asia given the firm's demonstrated track record, expertise, and hands-on approach to value creation across the region.

Anaplan is a leading provider of cloud-based connected planning software solutions. Investing alongside our external fund partner, Thoma Bravo, this transaction exhibited many of the core characteristics AIMCo Private Equity seeks, including being a market leader in a large and growing end market, operating in an attractive sector, and demonstrating a strong financial profile.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Risk Management

Strategic Risk Management

Risk is exposure to uncertain events that have the potential to impact the achievement of objectives. Our approach to risk management leverages an integrated framework that always keeps an eye on the future. As a global investor, AIMCo is in the business of prudent risk taking. Consequently, risk management is at the heart of everything we do as Alberta's investment manager. Supported by our governance structures and risk-conscious culture, risk management is incorporated in our strategic planning, investment and business processes.

Our Enterprise Risk Management (ERM) Framework specifies how AIMCo manages all material risks across the organization, including investment and non-investment (business, operational) risks. Each major risk is assigned to an Executive Risk Owner, and the ERM team advises management and the board in the development and monitoring of risk appetite statements, risk tolerances and key risk indicators. On an ongoing basis, we apply a six-step risk management process as shown in Figure 1. Top Risks are assessed semi-annually and the assessments are reviewed with the Executive Committee and the Board of Directors.

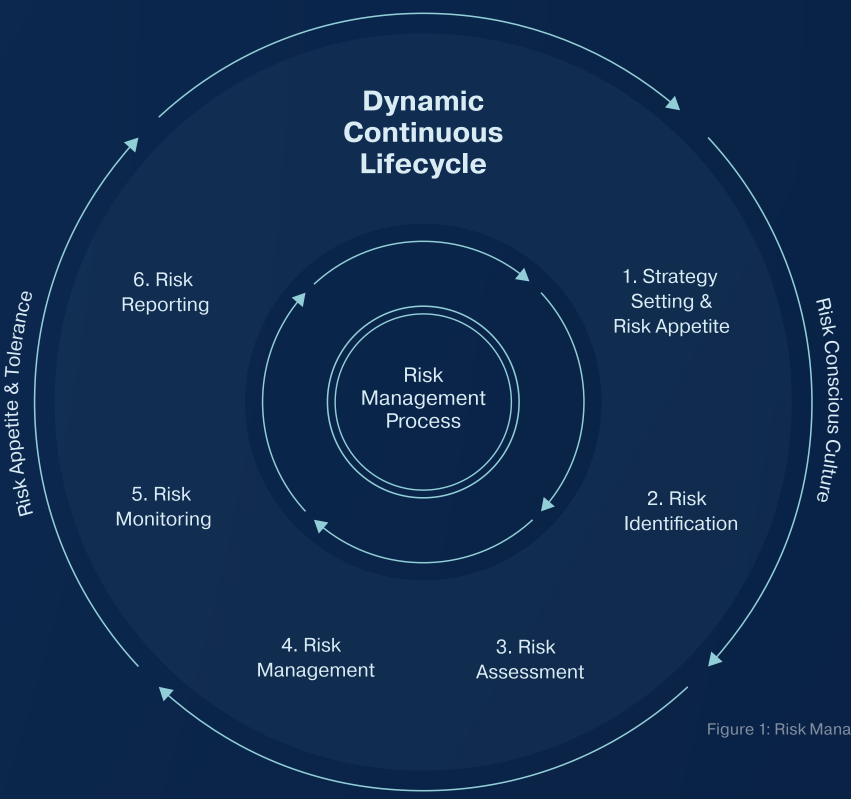


Figure 1: Risk Management Lifecycle

Our corporate strategy and five-year plan lead us into the future and explicitly incorporate management of top risks as identified in our Enterprise Risk Management Framework. We do this by 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. Where required, initiatives to support risk mitigation may be developed.

Governance

Effective risk management starts with sound risk governance that provides appropriate board and executive oversight. The Board of Directors provides ultimate risk oversight, in conjunction with management committees (see Figure 2). The Chief Risk Officer (CRO) reports to the CEO and chairs the Investment Risk Committee and the Operational Risk Committee. The CRO is a voting member of the Investment Committee and the Client Portfolio & Product Committee. Together with the Executive Committee members, the CEO and CRO set the “tone from the top” regarding the importance of risk management in all our activities.

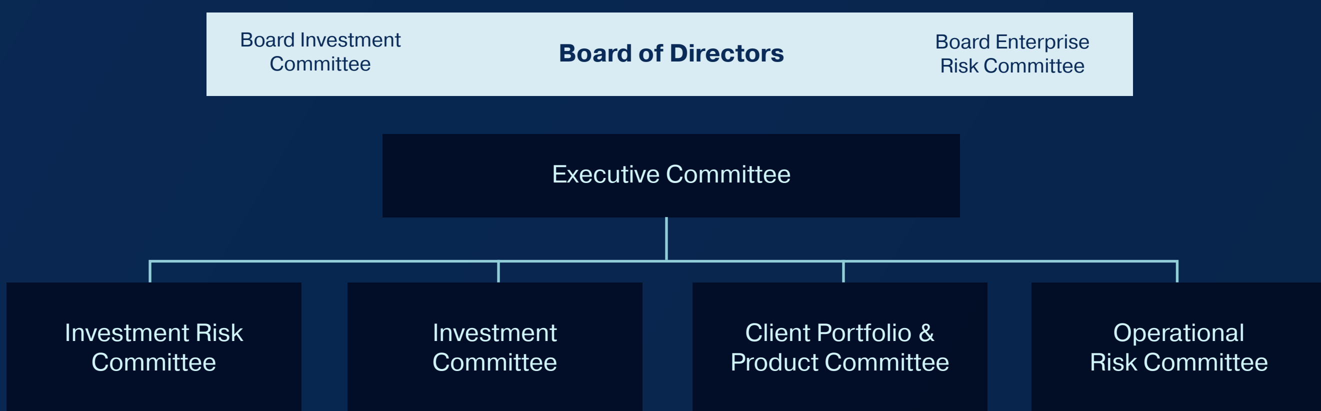


Figure 2: Governance Structure

The Risk Management group also works closely with our Chief Fiduciary Management team and our clients to understand 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.

Risk-Conscious Culture

AIMCo’s risk management philosophy is that ‘everyone is a risk manager’. A forward-looking risk mindset is at the core of everything we do, and it is the responsibility of everyone to identify, assess, manage, monitor and report risks. This risk-conscious culture influences appropriate risk-taking behaviour and consideration of risk-relevant information in AIMCo’s decision making. To support and provide guidance to employees on risk management, we have implemented risk policies, guidelines and control processes and clear roles and responsibilities within the three lines of defence model as shown in Figure 3.

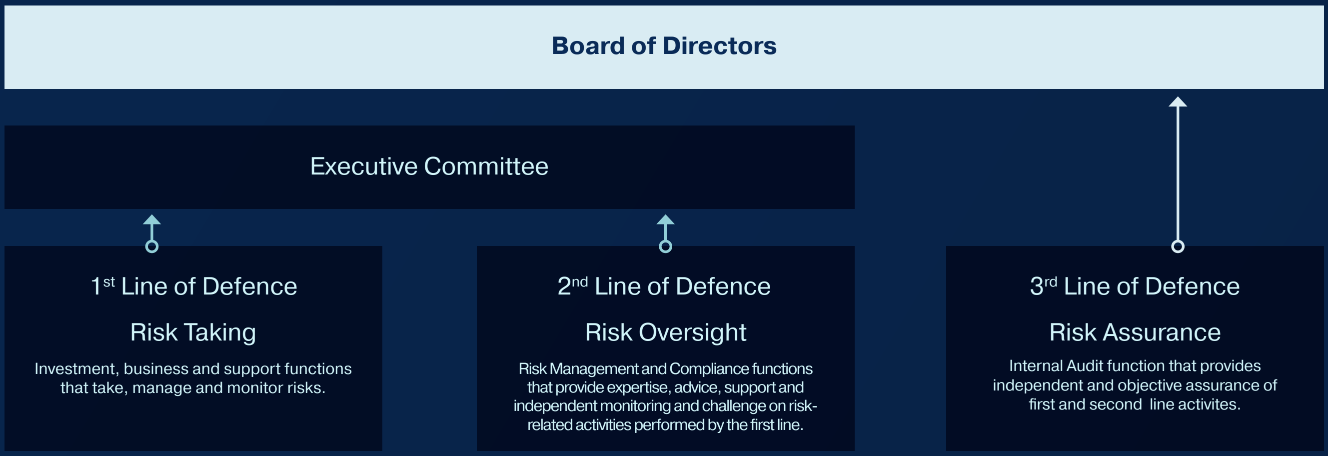


Figure 3: Three Lines of Defence

Employees attend regular training on expected behaviours for core risk management and compliance as well as training on updated aspects of our programs that impact their daily work.

In addition, as part of our compensation framework, the CRO will undertake an independent and multi-faceted risk assessment throughout all of AIMCo. This annual assessment reinforces the important role each employee holds in maintaining a risk-aware culture. The result of the CRO's independent risk assessment is shared with the board and ultimately, could have an impact on performance compensation outcomes.

Strengthening Our Foundations Now, and the Future

The risk landscape is constantly changing, which requires AIMCo to continuously strengthen its risk management foundations. In 2022, key initiatives included:

- Provided compliance assurance for clients and engaged with them on risk appetite and tolerance
- Integrated risk into the strategy setting and budgeting processes
- Conducted risk reviews of product descriptions and strategies, implementing risk thresholds and new risk controls where necessary
- Implemented a third-party risk management program and matured AIMCo's model risk program

Key Risks

The following are some of the key risks that we monitor and manage:

Investment Risk

2022 was a challenging year for financial markets due to geopolitical turmoil, sticky inflation, an aggressive interest rate hiking cycle, market uncertainty and ongoing recession fears. This resulted in the repricing of risk assets and reminded long-term investors of the need to be thoughtful about the risks they want to take.

Our Investment Risk team continues to work closely with the Investment teams to understand and independently assess and measure the risks being taken as well as to ensure investment strategies being implemented have a risk/return profile consistent with product descriptions.

Liquidity Risk

Globally, there has been a shift from an environment of quantitative easing and fiscal stimulus to tapering. This shift, together with aggressive monetary policy related to combatting inflation, has reinforced the importance of proactive liquidity risk management.

Our Liquidity Risk Management Policy seeks 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.

Our Investment Risk team runs stress tests on various scenarios to assess resiliency to a liquidity crisis as well as independently measures and monitors liquidity risk at the client level.

Cyber Security Risk

AIMCo's information systems, technology and data are critical to its operations and delivery of services to clients. With the continued evolution of technology and cloud solutions, AIMCo, like its peers within the investment management industry, does rely on third-party vendors and partners to provide technology and data solutions. This dependency, as well as the acceleration of malicious cyber attacks globally with increased sophistication from state sponsored actors and criminals, creates a major source of risk.

AIMCo maintains a dedicated team of cyber security professionals and continues to invest in its cyber resilience posture.

People and Culture Risk

Managing people risk is critical as it enables AIMCo, through its people, to help our clients secure a better financial future for the Albertans they serve. Organizations continue to face heightened people risk driven by new paradigms for work flexibility, a challenging labour market due to workforce mobility, competition for top talent and challenges finding people with the skills and capabilities that match the future needs of an organization.

AIMCo is managing people risk through several initiatives, including modernizing our people and culture experience, workload prioritization, supporting mental health needs, a Diversity, Equity and Inclusion (DEI) strategy, and developing our people through training and leadership programs.

Emerging Risks

As risk managers, we focus not only on current risks, but also on understanding the opportunities that we need to capture and the threats we need to manage. The following is a brief perspective on selected emerging risks and hot topics:

Risk of Monetary Policy Error

2022 was marked by the spectre of inflation remaining above central banks' target range in most developed countries. In response, those central banks have tightened monetary policy and embarked on an aggressive interest rate rising cycle to curtail inflationary pressures.

Central banks continue communicating that policy rates may stay higher for longer; however, consensus among investors, as demonstrated by the shape of the yield curve, seems to cast doubt on the central banks' resolve in maintaining a restrictive monetary policy environment. The ongoing tug-of-war between investors and central banks has elevated market sensitivity to any newly released economic data. This increases short-term volatility as the market tries to determine how central banks will react to new economic data releases.

Despite central banks' best efforts to tame inflation, it has proven to be stickier as the labour market remains tighter than anticipated and consumers, with significant accumulated savings from the pandemic, continue to show resiliency. The continued aggressive attempt by central banks to cool inflation has the risk of potential monetary policy error of going too far with the rate hike cycle as several economic data points are of a lagging nature. This might create a set of unintended consequences, such as the pressures we have observed on U.S. regional banks.

Our Investment Risk team continues to study and monitor the evolving market conditions and ensure risks are well understood and managed to achieve our clients' long-term goals.

Structural Changes

Events of the last several years, such as the rise in populism, political polarization, trade wars, the COVID-19 pandemic, global supply chain disruptions, geopolitical tensions, energy challenges, and demographic changes — all underpinned by real vulnerabilities — are reshaping the world.

These changes could result in a global realignment into regionally and ideologically aligned countries and a rise in global trade fragmentations with implications for inflation, capital flows, technology diffusion, and more.

In addition, there are structural demographic changes underway due to retiring baby boomers, increased life expectancy and declining fertility rates. These changes have implications for migration. They can also change the structure of the labour market, adding wage pressure because of the falling working-age population and imposing heavy social and economic costs on the young to support an aging population.

AIMCo continues to monitor the long-term trends of structural changes, including risks and opportunities and how they impact clients' portfolios; asset allocation; the industries, sectors, and geographies to invest in; and security selection.

Sustainability Spotlight

SUSTAINABILITY SPOTLIGHT

Wind Power Propels the Green Energy Future

AIMCo now owns a 49% stake in two wind energy projects near Pincher Creek, Alberta that deliver carbon-free, renewable power to the province's electricity grid. AIMCo first partnered with Enel Green Power North America on the deal in 2018. After the construction was complete and the wind projects had been in operation for more than a year, AIMCo closed the deal in late 2022. The wind projects have been awarded 20-year power purchase agreements with the Alberta Electric System Operator (AESO). The long-term contract with the AESO — an organization with a credit rating of AA-/Stable — will provide stable cash flows for AIMCo's clients for years to come, while the wind projects can deliver a total of almost 135MW of renewable power to Alberta's electricity grid.

〉〉 SUSTAINABILITY SPOTLIGHT

Renewables Fuel the Transition

On behalf of clients, AIMCo has made a debt investment (with warrants) in Tidewater Renewables, an Alberta-based business focused on the production of renewable diesel and renewable natural gas. Tidewater Renewables is on the cusp of opening the first in Canada. While conventional biodiesel plants already exist, the diesel they produce needs to be blended with hydrocarbon diesel for commercial use. In contrast, the Tidewater plant will produce renewable diesel, which is a “drop-in-fuel” that is compatible with existing diesel engines and does not require blending — providing an instant decarbonization pathway for existing long-haul transportation vehicles. The renewable diesel facility can be run on a variety of feedstocks such as canola oil, soybean oil, used cooking oil and tallow. Tidewater is a true energy transition story, as it reinvests cashflows from legacy energy assets into renewable fuels. AIMCo’s investment will help fund the construction of the renewable diesel facility, while also providing potential equity upside through warrants, as the company de-risks the renewable diesel facility, and concurrently brings emissions down.

SUSTAINABILITY SPOTLIGHT

Office Building Gets a New, Sustainable Life

The Latitude building in Paris, located in La Défense, Europe's biggest business district, has been transformed in both form and function over the course of AIMCo's investment. Once a 1970's-era office building with a large, above-ground parking garage, the building has been extended and redeveloped to create a better work environment for employees and an attractive meeting place for anyone in the area, especially pedestrians. By improving the aesthetics and adding pedestrian and cycling paths around the building, thousands of workers benefit from a campus-like setting, located within walking distance of a major public transit hub. AIMCo, on behalf of its clients, bought a 49% stake in the project in 2016 and redeveloped it with operating partners Générale Continentale Investissements and Pinebridge Benson Elliot. The renovation has resulted in a 55% decrease in carbon emissions for the building's operations and a 62% reduction in primary energy consumption.

Read our 2022 Responsible Investment Report

Read Now

Read our 2022 TCFD Report

Read Now

Culture & Community

Hello Calgary!

Alberta expansion was a highlight in the fall of 2022. Chief Technology Officer Denise Man, CEO Evan Siddall, Calgary Mayor Jyoti Gondek and Management Employees Pension Plan Board Chair Jon Himmens cut the ribbon to open our Calgary office.

With a deep talent pool and the richness of being a world-class energy hub, Calgary offers additional opportunities to serve our clients.

The office décor features some incredible Indigenous art, including work from Métis artist Aguenus (Angela Hall). As an Alberta Teachers' Retirement Fund plan member, she has a special connection to AIMCo.

There will be more ribbons to cut in the coming months — Singapore and New York offices are in the works.

WAGE Makes Waves

Give them a gold star for advocacy! Members of an Employee Resource Group nicknamed WAGE (short for Women and Allies for Gender Equity) played a part in changes to AIMCo's corporate incentive plan. The new system no longer pro-rates performance pay during the top-up period for employees on parental and maternity leave. It's a sign of concrete action in support of family caregivers and an example of the collaborative work that happens at AIMCo.

"Removing a barrier that was disproportionately impacting women in our organization was really gratifying," said Chief Technology Officer Denise Man, the executive sponsor of WAGE.

"Ultimately, a more equitable system is better for everyone, and we can all be proud of this industry-leading commitment."

On top of this success story, WAGE members helped organize an International Women's Day event alongside the Alberta School of Business, Edmonton Women in Finance and YWCA Edmonton. Add to that an interactive leadership workshop and a personal branding seminar. All that in what was only the group's first year in existence!

Building a Foundation for Reconciliation

Learning and awareness were the primary focus for AIMCo's Indigenous Focus Employee Resource Group in 2022. The group organized Indigenous Awareness Training put on by Holly Fortier of Nisto Consulting. Her session detailed key events that shaped Indigenous People's history, cultural differences to be aware of and tangible actions for improving Indigenous relations in participants' daily lives.

The group also collaborated with two Canadian investment peers to provide their colleagues the privilege of hearing from Jesse Thistle, PhD candidate, assistant professor, and best-selling Métis-Cree author of "From the Ashes". His compelling story humanizes the reality of colonization in Canada.

The group's leadership, including executive sponsor Rod Girard, has laid the groundwork for a broad interest in reconciliation across the organization. A number of employees participated in a Blanket Exercise earlier this year, facilitated by Pamela Sparklingeyes and Wanda Whitford. This experiential learning opportunity helped team members better understand the experience of Indigenous Peoples from pre-settler times to the present day. In a further commitment, AIMCo's first Manager of Indigenous Relations started June 1, 2023.

Black, Bold and Belonging

"We want everyone to feel welcome. It's a group that's open to everyone but with a specific purpose."

When Waleem Alausa was a post-graduate student considering employment possibilities, he noticed a solitary image of a Black employee in an AIMCo Annual Report.

"Is it even possible to work here?" he recalled thinking.

Maryanne Aghalu felt similar uncertainty before she was hired in 2021.

"I wasn't sure how many we were, in terms of numbers, but I did feel like it was a close-knit community," she said, noting that she was able to connect with other Black employees on LinkedIn before she accepted her position.

Fast forward to 2023, and both are well established in their careers at AIMCo, Waleem as an Investment Risk Assurance Director and Maryanne as a Human Resources Business Partner Manager.

The pair is now eagerly tackling the task of establishing a Black Employee Resource Group, alongside other colleagues and executive sponsors Amit Prakash and Suzanne Akers.

What began as an informal interest group in 2021, gained momentum and officially launched as an Employee Resource Group during Black History Month in 2023. With 5% of AIMCo employees self-identifying as Black, the group has four goals centred around education and awareness, developing Black leaders, promoting well-being, and strengthening engagement.

"I'm excited by the opportunity to leverage mentorship to identify and develop more Black leaders," said Maryanne.

"We want everyone to feel welcome. It's a group that's open to everyone but with a specific purpose," added Waleem.

Investing in Futures

In today's rapidly evolving world, technological advancements, economic changes, and societal shifts are impacting industries and jobs. That's why AIMCo strongly encourages continuous learning, professional growth, and career development of its employees through the Skills Development and Educational Assistance (SDEA) program.

The program provides full-time employees with an annual allotment of $5,000 to help build careers and stay up to date with in-demand skills. Most team members use the program for educational programs, certifications or conferences. But some colleagues, who are just starting their careers, are using the allowance to pay back tuition.

Phillip Seu, a CPA student at AIMCo, used his annual allotment to repay student loans.

"One of the best features of the SDEA is that it's not pro-rated. Coming out of university, I needed to be enrolled in the CPA program and the modules are pretty expensive," said Seu.

"I'm saving for a down payment on my first home. With the tuition support, I'll pay off my student loans quicker and save more for my first home in a shorter period of time."

"With the tuition support, I'll pay off my student loans quicker and save more for my first home in a shorter period of time."

A New Million Dollar Milestone

Just one year after surpassing the million-dollar mark for fundraising, the AIMCo Foundation for Financial Education has achieved a new milestone. In 2022, the registered charity exceeded $1 million in funds delivered.

You might think raising money is the hard part, but making sure it has the biggest possible impact requires diligence and sound governance. Those principles were critical when the Foundation was established in 2018 with a mission to provide grants to organizations offering financial literacy programming, along with scholarships for students pursuing formal post-secondary education in a financial field.

AIMCo employees volunteer on the two committees tasked with distributing the funds.

“When grant applications come in, I have the privilege of seeing what Alberta non-profits are doing to improve financial literacy in our communities,” said Granting Committee member Michael Kmicik.

“Selecting the recipients can be challenging, but we have excellent criteria and a team that works hard to make sure donor money is used wisely.”

“Many of the scholarship recipients send us letters of thanks. It’s rewarding to hear how the support lightens their financial burdens while they work toward their academic goals,” said Logan McIntosh who sits on the Scholarship Committee.

CEO Culture Award Winners

Leadership Award

Andrew Davis, Director, Client Management

Andrew is recognized for demonstrating industrious diligence and living AIMCo's value of collaboration in leading the organization forward in high-priority areas for clients. With his infectious energy and enthusiasm, Andrew provides visionary leadership that encourages his colleagues to stay focused on the" what" and "why" we do things for our clients and the Albertans they serve.

Inclusion Award

Nicole Maneschyn, Project Lead, Flexible Workplace, Human Resources

Nicole is recognized for her advancement of Diversity, Equity & Inclusion (DEI) at AIMCo. Nicole's commitment to DEI has been demonstrated far and wide, including becoming the Founding Chair of the Indigenous Focus Employee Resource Group (AIMCo's first-ever ERG). As a parent, a Métis woman, a stalwart thought leader, content creator, and advisor about Indigenous topics, Nicole's efforts go a long way in benefiting our colleagues, industry peers, and AIMCo's reputation around the topics of DEI.

Pandemic Powerhouse Award

Kalpana Singh, Internal Audit Innovation & Advanced Analytics Director

The pandemic has had a profound effect on everybody, but for Kalpana's colleagues and friends, she is an unsung hero. Last year, Kalpana supported her family through loss and seemingly insurmountable obstacles, helped other families affected by the pandemic, joined forces with her alma mater to fundraise for pandemic healthcare in India, served on AIMCo's DEI Council, and started a new role. Kalpana is recognized for embodying AIMCo's core values and inspiring her colleagues.

Client Centricity

Consolidated Cash Investment Trust Fund Project Team

Over 90 colleagues across virtually every line of the business displayed innovation and leadership in what was likely the biggest shift in AIMCo's day-to-day cash management. The team collaborated with many clients and stakeholders to create a replacement fund for the primary AIMCo money market product.

I Am AIMCo

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

Parveen Grewal

Like so many at AIMCo, Parveen Grewal cares deeply about AIMCo's clients and the work we do. Parveen's cousin is a nurse and is a beneficiary of the Local Authorities Pension Plan (LAPP). The daily devotion and dedication that her cousin gives her community as a nurse helps Parveen realize the significance of AIMCo's purpose, to help secure a better financial future for our clients and for the Albertans they serve.

Watch Parveen's Story

Sarah Esler

Sarah Esler is the Managing Director of the Mortgages Portfolios at AIMCo. Working out of our Toronto office, she remains deeply connected to the province of Alberta. She was born in Alberta's capital city, where the majority of her family still lives — including her mom, a retired teacher. For Sarah, working at AIMCo gives her a great sense of purpose.

Watch Sarah's Story

Anthony Patenaude

Anthony Patenaude is a Portfolio Manager at AIMCo who has lived his entire life in the Edmonton region. Because of this, Anthony has many strong connections to our clients' beneficiaries. His wife is a registered nurse and his mother was a civil servant. Anthony cares passionately about managing the risk and optimizing the returns to ensure his family and friends have financial security now, and in the future.

Watch Anthony's Story

Executive Team

Evan Siddall
Chief Executive Officer

Suzanne Akers
Chief Risk Officer

Angela Fong
Chief Corporate Officer

Rod Girard
Chief Legal Officer

Ben Hawkins
Executive Managing Director, Head of Infrastructure, Renewables & Sustainable Investing

Sandra Lau
Chief Investment Officer/Advisor to the Chief Investment Officer

Paul Langill
Chief Financial Officer

Denise Man
Chief Technology Officer

Paul Mouchakkaa
Executive Managing Director, Head of Real Estate

Krista Pell
Chief Human Resources Officer

Amit Prakash
Chief Fiduciary Management Officer

Dr. Marlene Puffer
Chief Investment Officer

David Scudellari
Senior Executive Managing Director, Head of International Investment

Peter Teti
Executive Managing Director, Head of Private Equity and International

Discover More about Our Culture & Community

Award Winning

We are recognized as one of Alberta's Top Employers.

Read More

AIMCo Foundation

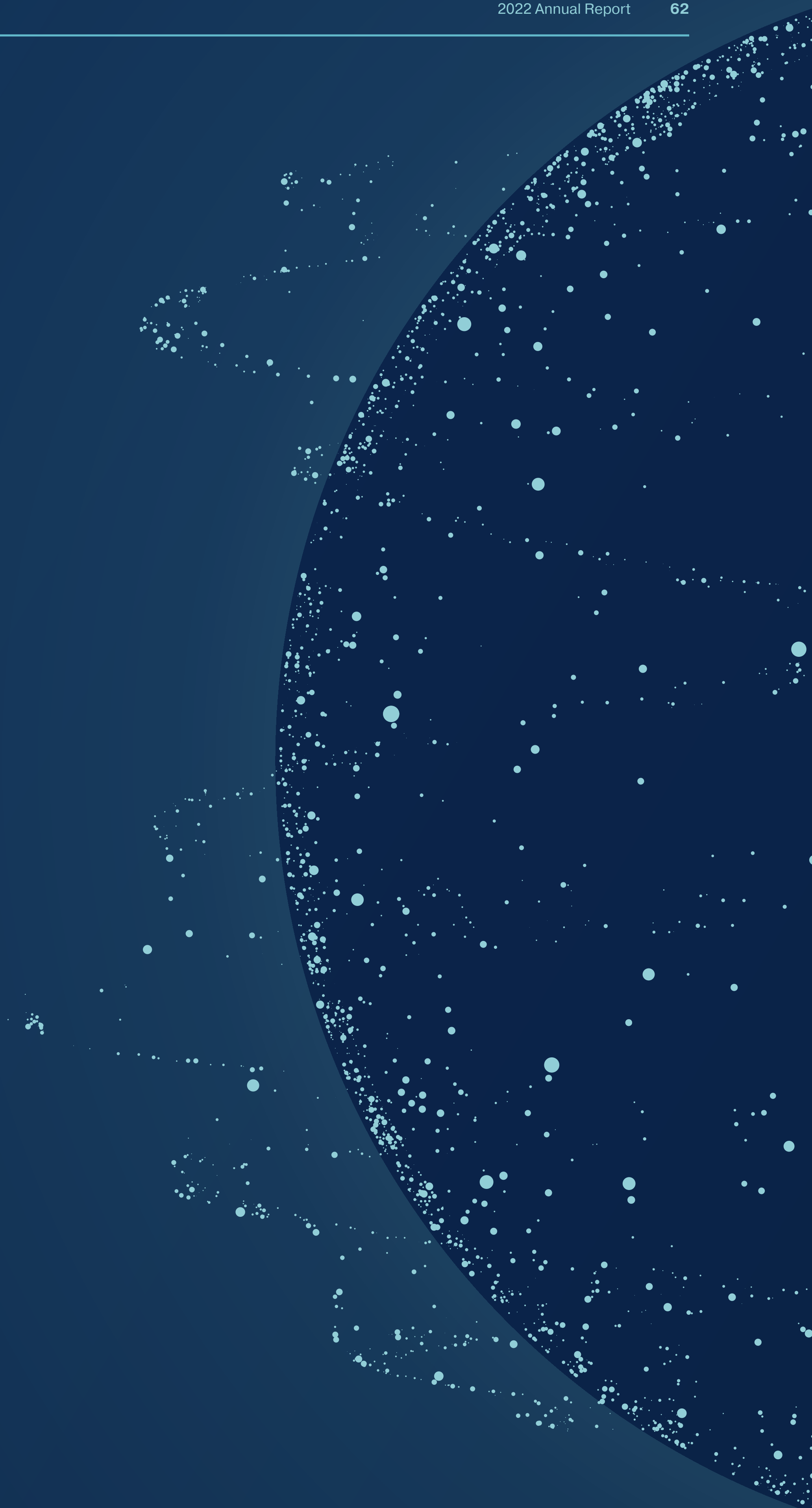
Our grants and scholarships help Albertans.

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, as such, are required to exercise due care, diligence and skill, and manage risk appropriately in their oversight of AIMCo.

Our Board

Mark Wiseman
Chair

Phyllis Clark
Board Member

Bob Dhillon, O.C.
Board Member

Bob Kelly
Retired September 30, 2022

Jim Keohane
Board Member

Dr. Kenneth (Ken) F. Kroner
Investment Committee Chair

Lorraine Mitchelmore
Board Member

Roger Renaud
Human Resources & Compensation Committee Chair

Sharon Sallows
Enterprise Risk Committee Chair

Jacqueline Sheppard
Retired December 31, 2022

Theresa Whitmarsh
Governance Committee Chair

Tom Woods
Audit Committee Chair

The Board of Directors has five standing committees:

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

View Committees & Responsibilities

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.

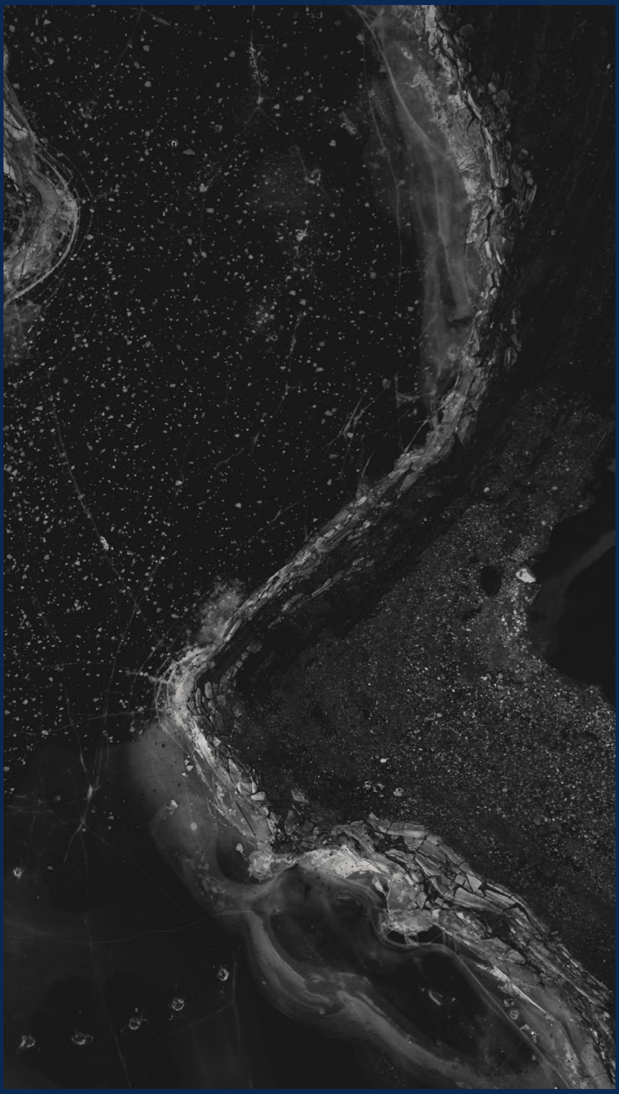
View Board Experience & Competencies

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 2022, 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.

Discover More about Our Governance



Committees

Five standing committees have specific responsibilities.

Learn More

Experience

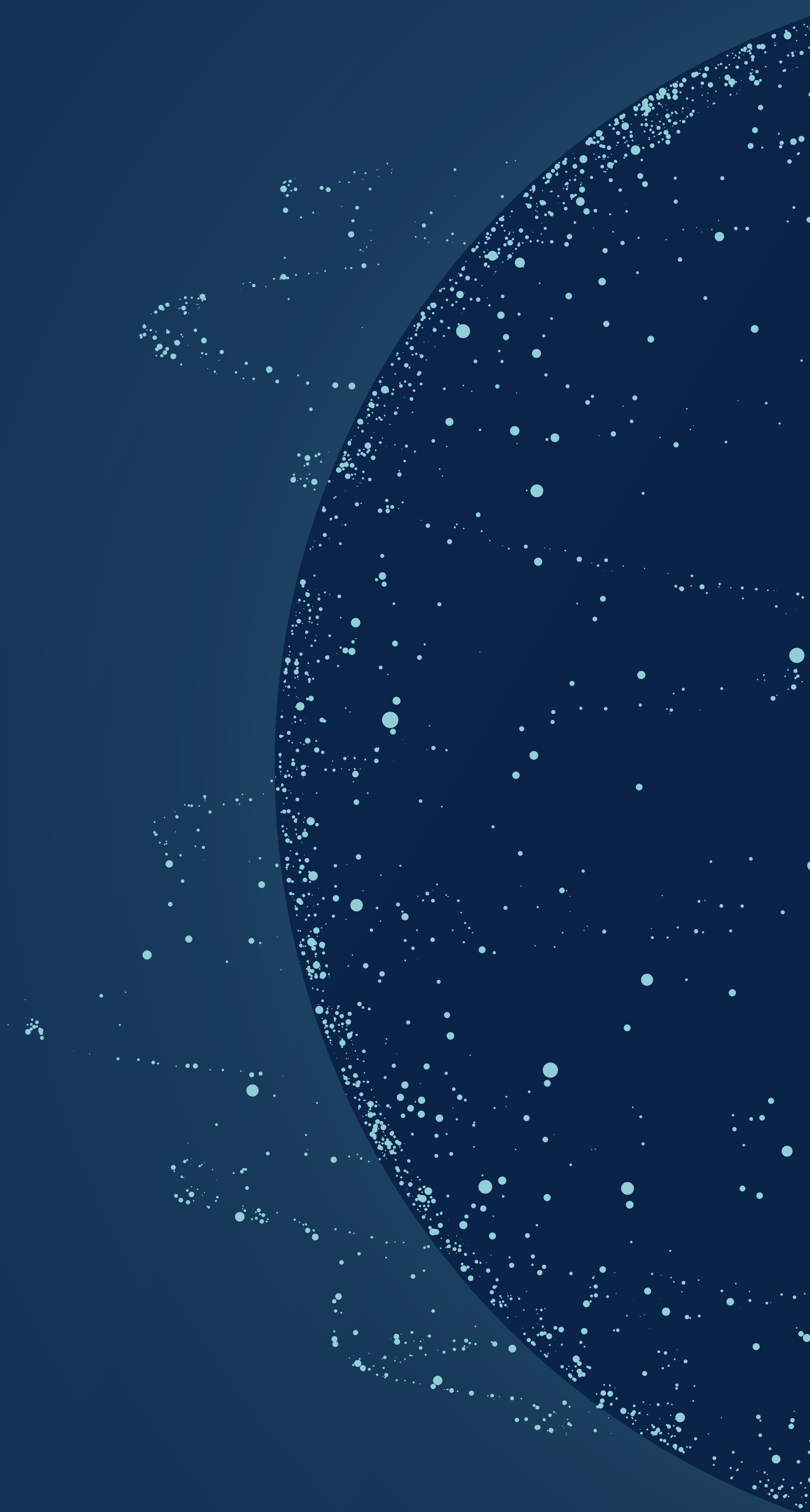
Our Directors have a range of experience and skills.

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 2022 performance year, under the Corporate Incentive Plan, AIMCo had a strong year, exceeding its quantitative targets on long-term investment returns, paired with the accomplishment of achieving all corporate objectives.

Roger Renaud
Chair of Human Resources and Compensation Committee

2022 was a year of building AIMCo's leadership team and strategy, focused on meeting AIMCo's purpose of helping clients build better financial futures for the Albertans they serve.

This past year, AIMCo made significant additions to its executive team with four new members: Chief Investment Officer, Chief Risk Officer, Chief Technology Officer and Chief Human Resources Officer, all of whom bring diverse perspectives, experience, and contribute to the gender balance of the Executive Committee. The combined knowledge, capabilities, and diverse perspectives of the Executive Committee will be pivotal in driving the success of AIMCo's Corporate Strategy over the next five years and beyond.

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, enabling AIMCo to compete with institutional investment peers and other relevant peer organizations for top performing talent. Effective January 1, 2022, AIMCo transitioned to a new Corporate Incentive Plan (CIP), to align with market and further enhance the linkages between employee pay and the success of AIMCo, in service of clients. The Corporate Incentive Plan 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 development of the Corporate Incentive Plan included input from clients and extensive knowledge from an independent external compensation consultant. As well, we referenced our peers, other Canadian pension plan investment managers.

For the 2022 performance year, under the Corporate Incentive Plan AIMCo had a strong year, exceeding its quantitative targets on long-term investment returns, paired with the accomplishment of achieving all corporate objectives. Despite the impact of short-term market conditions on the one-year return, AIMCo is focused on success over the long term, and clients and their beneficiaries can be confident we are committed to ensuring they achieve their long-term goals.

To assist with execution of its compensation-related responsibilities, the Human Resources Compensation Committee (HRCC) works with an external compensation consultant that has an independent and direct reporting responsibility to the Chair of HRCC. Hugessen Consulting advised 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 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.

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

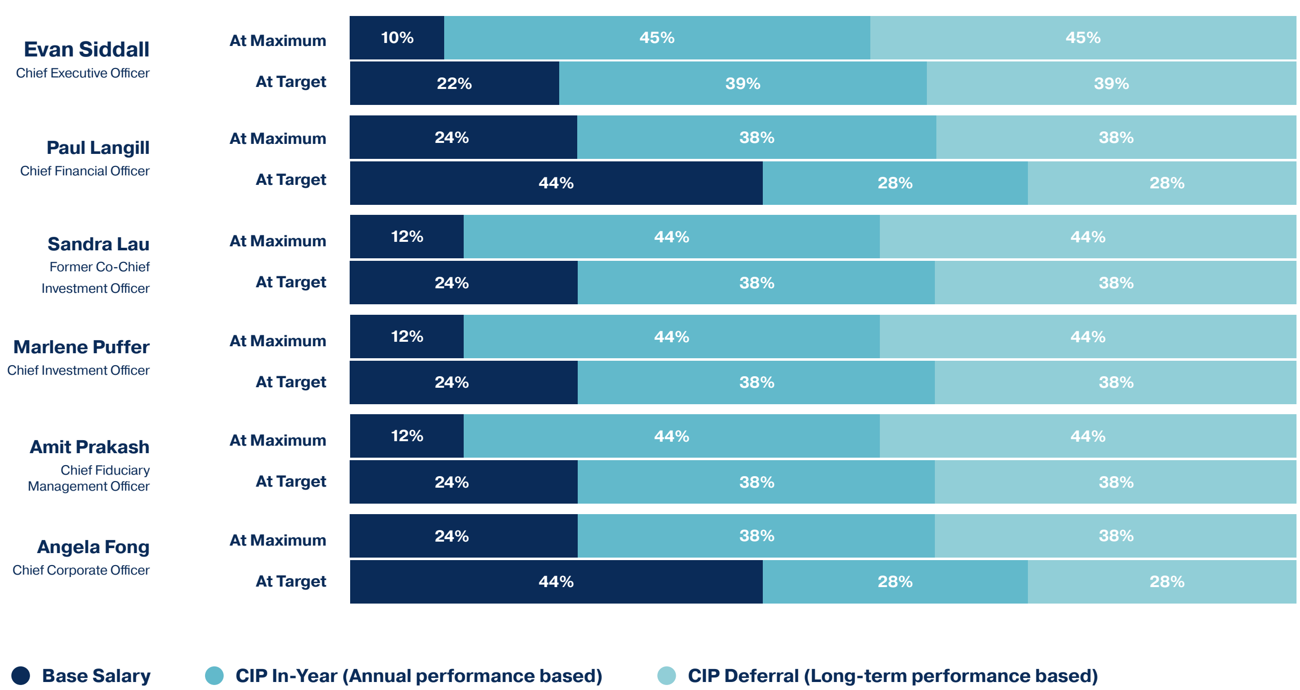
Performance-based compensation relating to investment returns is driven by excess returns above relevant investment benchmarks, over a multi-year period. The concept is to reward successful active management over multiple years, by exceeding returns otherwise achievable through passive investing.

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 eligibility and allow the HRCC to adjust performance outcomes as appropriate, where measured performance outcomes may not recognize exceptional circumstances (such as where long-term investment decisions that are in the best interest of AIMCo have a negative impact on results in the short-term). Board approval is required for discretionary adjustments.

Significant Pay at Risk

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



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. The Chief Risk Officer completes and presents directly to the Board of Directors an annual formal assessment of the effectiveness of AIMCo's risk management and culture, which could result in an adjustment to performance compensation. Upon reviewing the risk assessment and overall performance, the AIMCo Board of Directors, through the HRCC, has the authority to amend and/or terminate the Corporate Incentive Plan, 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.

Maximum Performance Compensation

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

Components of Total Compensation

Component	Program Intent	Plan Fundamentals	Status	Variability with Performance
Base Salary	Compensation for the execution of core duties	Annual budget based upon external survey market data	n/a	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 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 is paid in the year following the end of the performance period. For senior positions, a portion of the CIP is deferred 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-month, 24-month and 33-month periods immediately following the end of the performance period used to determine the CIP award value.	Active	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	Active	Low variability

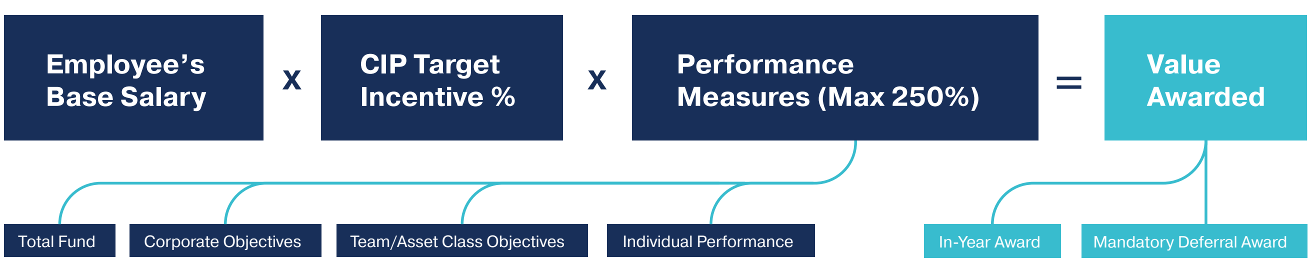
Base Salary

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

Corporate Incentive Plan (CIP)

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. As part of AIMCo's commitment to continuous improvement and in recognition of our Corporate Strategy, the new Corporate Incentive Plan (CIP) was implemented January 1, 2022, replacing AIMCo's legacy compensation programs (Annual Incentive Plan (AIP) and Long-Term Incentive Plan (LTIP)).

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 deferred 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. 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.



Performance Weightings for CIP

	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%
Sandra Lau Former Co-Chief Investment Officer	CIP	40%	20%	20%	Investment Management	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%
Angela Fong Chief Corporate Officer	CIP	40%	20%	20%	Corporate Office	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. In the case of senior leaders, annual medical assessments are mandatory.

2022 Performance Results

The following summarizes the 2022 performance year results for the period January 1, 2022, to December 31, 2022.

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			
	2022	**2021**	**2020**[1]	**2019**
Excess Return	1.8%	6.7%	-5.5%	-0.5%
4-Year Average Excess Return	0.6%			
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 AIP and LTIP program.

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

	Performance Year			
	2022	**2021**	**2020**	**2019**
Net Returns	-4.6%	16.2%	2.6%	11.8%
4-Year Average Net Returns	6.5%			
Achievement	At Target Performance			

The overall performance factor achieved for Total Fund was 190% out of a possible stretch performance of 250% for the 2022 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.

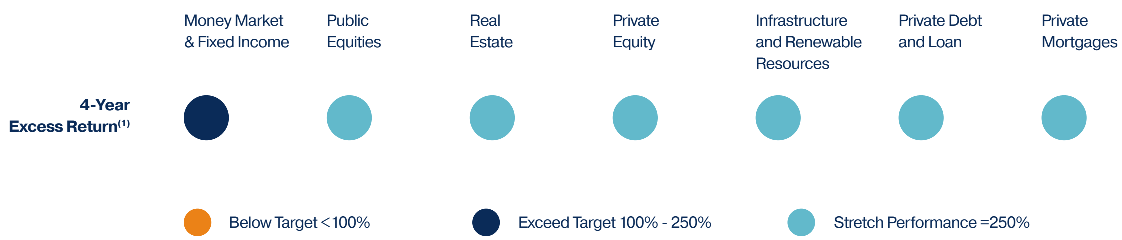
For the 2022 year, AIMCo achieved all corporate objectives which focused on three areas — consistent, reliable service, a customizable investment platform and talent and culture. In evaluating the six objectives, the HRCC considered both "what" was achieved and "how" it was achieved, recognizing AIMCo with an exceptional level of performance. With the steps taken towards a strong "One AIMCo" culture in 2022, the HRCC approved a performance factor of 225% 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 2022 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.



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 AIP and LTIP program.

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, 2023. The values under incentive plan compensation include our Corporation Incentive Plan awards for the 2022 performance year (ended December 31, 2022), of which the In-Year award was paid in early 2023. In addition, payments under our legacy LTIP plan were paid in early 2023. 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.

			Incentive Plan Compensation ($)							
	Fiscal Year	Base Salary [1] a	In-Year Award (Paid) [2] b	Deferred Awards Granted [3] c	Total Direct Compensation [4] a+b+c	LTIP (Paid) [5] d	RFU (Paid) [6] e	Pension Contribution [7] f	Other Compensation [8] g	Total Compensation ($) [9] a+b+d+e+f+g
Evan Siddall Chief Executive Officer	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 [10]	22/23	87,180	-	-	**87,180**	-	-	6,974	556,048	**650,202**
Sandra Lau Former Co-Chief Investment Officer [11]	22/23	404,167	1,206,615	-	**1,610,782**	1,554,000	214,799	52,422	14,336	**3,446,339**
	21/22	312,500	702,000	300,000	**1,314,500**	1,532,100	-	40,658	16,894	**2,604,152**
	20/21	300,000	576,054	539,832	**1,415,886**	1,464,424	-	39,026	16,066	**2,395,570**
Amit Prakash Chief Fiduciary Management Officer	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**
	20/21	175,000	140,000	-	**315,000**	-	-	14,000	413,644	**742,644**
Angela Fong Chief Corporate Officer	22/23	340,000	437,580	437,580	**1,215,160**	856,065	43,646	44,599	13,875	**1,735,765**
	21/22	298,983	417,266	142,655	**858,904**	576,216	200,725	32,478	15,661	**1,541,329**
	20/21	285,310	453,242	142,655	**881,207**	180,928	-	30,243	28,595	**978,318**
Paul Langill Chief Financial Officer	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**
	20/21	119,584	-		**119,584**	-	-	9,567	10,627	**139,778**
James Barber Former Co-Chief Investment Officer, Head Private Investments [12]	22/23	166,475	-	-	**166,475**	-	-	27,318	1,679,706	**1,873,499**
	21/22	250,609	486,891		**737,500**	-	-	20,049	15,870	**773,419**
Kevin Uebelein Former Chief Executive Officer	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**
	20/21	500,000	1,526,300	875,000	**2,901,300**	634,144	-	60,000	16,892	**2,737,336**
Dale MacMaster Former Chief Investment Officer	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**
	20/21	425,000	810,764	446,250	**1,682,014**	881,051	-	55,026	16,137	**2,187,978**

1. Base Salary consists of all regular pensionable base pay earned.
2. For fiscal 22/23, the figures represent the In-Year component of the value awarded under the Corporate Incentive Plan for the 2022 performance year. For fiscal 21/22 and 20/21, the figures represent the legacy Annual Incentive Plan's award for the 2021 and 2020 performance year respectively.
3. For fiscal 22/23, the figures represent the Mandatory Deferral component of the value awarded under the Corporate Incentive Plan for the 2022 performance year. The value awarded represents the value at the time of the award, which is notionally reinvested in the balanced fund over the vesting period. For fiscal 21/22 and 20/21, the figures represent the legacy LTIP and SLTIP Incentive Plan awards granted during the 2021 and 2020 performance years respectively. 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 2022 performance year, which reflects base salary, In-Year award (paid) and deferred awards granted.
5. The figures reflect LTIP grants and/or SLTIP grants awarded at the beginning of 2019 and paid out after the 2022 calendar year. The values were set using the calculation method approved by the Board on the legacy LTIP and SLTIP Incentive Plan's awards.
6. The figures reflect the paid out Restricted Fund Units (RFUs) that vested at the end of the 2022 calendar year. RFUs fluctuate in value according to the AIMCo Total Fund performance. RFUs have time horizons of one to three years for vesting provisions.
7. 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.
8. 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.
9. Deferred awards granted are not included in Total Compensation.
10. One named executive (Marlene Puffer) started with AIMCo during the 2022/2023 fiscal year.
11. One named executive (Sandra Lau) will be departing AIMCo during the 2023/2024 fiscal year. Not included is a transition arrangement of $1,640,000 to be paid on April 30, 2023.
12. One previously named executive (James Barber) departed AIMCo during the 2022/2023 fiscal year. Other Compensation for 2022/2023 fiscal year is inclusive of $1,640,000 related to a transition arrangement.

Estimated Future Payouts of Outstanding Incentive Awards

(Audited)

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

				Estimated Future Payout Year (1)		
	Performance Year	Award Type (2) (3)	Grant Value ($)	2023	2024	2025
Evan Siddall Chief Executive Officer	2021	RFU	275,000	331,678	-	-
	2022	CIP Deferral	2,139,474	776,486	836,276	884,613
		Total	**2,414,474**	**1,108,164**	**836,276**	**884,613**
Marlene Puffer Chief Investment Officer	2023	RFU	2,170,000	484,516	967,426	1,116,374
		Total	**2,170,000**	**484,516**	**967,426**	**1,116,374**
Amit Prakash Chief Fiduciary Management Officer	2021	LTIP	367,500	-	1,102,500	-
	2022	RFU	257,250	115,928	166,478	-
	2022	CIP Deferral	1,258,600	456,788	491,960	520,397
		Total	**1,883,350**	**572,715**	**1,760,938**	**520,397**
Angela Fong Chief Corporate Officer	2020	LTIP	142,655	427,965	-	-
	2021	LTIP	142,655	-	427,965	-
	2022	RFU	105,447	47,519	68,239	-
	2022	CIP Deferral	437,580	158,812	171,041	180,927
		Total	**828,337**	**634,297**	**667,245**	**180,927**
Paul Langill Chief Financial Officer	2021	LTIP	162,500	-	487,500	-
	2022	RFU	113,750	51,261	73,613	-
	2022	CIP Deferral	439,348	159,454	171,732	181,659
		Total	**715,598**	**210,714**	**732,844**	**181,659**

1. The payout year refers to the performance year the incentive is vested in. The actual payout of the incentive occurs within 5 months following the performance year.
2. The legacy LTIP and SLTIP Compensation Program requires the remaining unvested LTIP and SLTIP 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 a 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, and portions vest in one, two and three years.

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.

				Estimated Future Payout Year [1]		
	Performance Year	Award Type [2]	Grant Value ($)	2023	2024	2025
Kevin Uebelein	2020	LTIP	875,000	1,968,750	-	-
Former Chief Executive Officer	2021	LTIP	875,000	-	1,312,500	-
	2022	LTIP	875,000	-	-	218,750 [3]
		Total	**2,625,000**	**1,968,750**	**1,312,500**	**218,750**
Dale MacMaster	2020	LTIP	446,250	753,047	-	-
Former Chief Investment Officer	2021	LTIP	446,250	-	418,359	-
		Total	**892,500**	**753,047**	**418,359**	**-**

1. The payout year refers to the performance year the incentive is vested in. The actual payout of the incentive occurs within 5 months following the performance year.
2. The legacy LTIP and SLTIP Compensation Program requires the remaining unvested LTIP and SLTIP to be paid out as per the agreed vesting date. The amounts were set using the calculation method approved by the Board.
3. This value addresses an LTIP provision within Kevin Uebelein's employment contract.

Pension Plans

(Audited)

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

			Registered		Supplementary	
	Pension Type	Fiscal Year	AIMCo Contributions	Employee Contributions	AIMCo Contributions	Employee Contributions
Evan Siddall Chief Executive Officer	DC	22/23	30,160	15,080	61,490	30,745
		21/22	30,873	15,437	3,327	1,663
Marlene Puffer Chief Investment Officer (1)	DC	22/23	6,974	3,487	-	-
Sandra Lau Former Co-Chief Investment Officer	DB	22/23	22,715	22,027	29,707	29,707
		21/22	21,709	21,051	18,949	18,949
		20/21	20,662	20,036	18,365	18,365
Amit Prakash Chief Fiduciary Management Officer	DC	22/23	33,560	16,780	28,440	14,220
		21/22	20,473	10,237	12,027	6,013
		20/21	14,000	7,000	-	-
Angela Fong Chief Corporate Officer	DC	22/23	29,360	14,680	15,239	7,620
		21/22	20,567	10,284	11,911	5,955
		20/21	18,553	9,277	11,690	5,845
Paul Langill Chief Financial Officer	DC	22/23	29,360	14,680	16,430	8,215
		21/22	19,773	9,887	6,527	3,263
		20/21	9,567	4,783	-	-
James Barber Former Co-Chief Investment Officer, Head Private Investments (2)	DC	22/23	13,520	6,760	13,798	6,899
		21/22	20,049	10,024	-	-

1. One named executive (Marlene Puffer) started with AIMCo during the 2022/2023 fiscal year.
2. One previously named executive (James Barber) departed AIMCo during the 2022/2023 fiscal year.

Board of Directors Remuneration (April 1, 2022, to March 31, 2023)

(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	0	0	0	0	0
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 ($)	Totals ($)
Mark Wiseman [(1)] Board Member	20,000	50,000	28,000	4,250	**102,250**
Phyllis Clark Board Member	20,000	0	24,000	1,875	**45,875**
Navjeet Singh (Bob) Dhillon [(2)] Board Member	10,000	0	14,000	750	**24,750**
Robert (Bob) Kelly [(3)] Board Member	0	0	0	0	**0**
James (Jim) Keohane Board Member	20,000	0	27,000	4,938	**51,938**
Kenneth Kroner Board Member	20,000	7,500	26,000	5,750	**59,250**
Lorraine Mitchelmore Board Member	20,000	0	15,000	1,750	**36,750**
Roger Renaud Board Member	20,000	7,500	28,000	2,000	**57,500**
Sharon Sallows Board Member	20,000	7,500	28,000	2,000	**57,500**
Jacqueline (Jackie) Sheppard [(4)] Board Member	15,000	5,625	23,000	3,000	**46,625**
Theresa Whitmarsh Board Member	20,000	1,875	27,000	6,000	**54,875**
Tom Woods Board Member	20,000	10,000	29,000	3,500	**62,500**
Fiscal 2023 Totals	**205,000**	**90,000**	**269,000**	**35,813**	**599,813**
Fiscal 2022 Totals	**196,923**	**90,000**	**289,000**	**12,906**	**588,829**

1. Mark Wiseman is the Board of Directors Chair. 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.
2. Navjeet Singh (Bob) Dhillon joined the Board of Directors on October 1, 2022.
3. Robert (Bob) Kelly has asked not to receive remuneration for his service as a director and retired from the Board of Directors on September 30, 2022.
4. Jacqueline (Jackie) Sheppard retired from the Board of Directors on December 31, 2022.

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	**2022**
	($)	($)
Short Term Employee Compensation and Benefits Paid	11,917,148	11,457,811
Long-Term compensation Paid	3,984,283	6,493,648
Termination Benefits Paid (1)	1,640,000	3,276,673
Total	**17,541,431**	**21,228,132**
Long-Term Compensation Outstanding (2)	13,316,468	20,754,002

1. Not included in the figure above is a transition arrangement for a departing executive of $1,640,000 to be paid on April 30, 2023.
2. Value represents the estimated future payouts of outstanding incentive awards. The Corporate Incentive Plan (CIP) was implemented on January 1, 2022, and for senior positions, a portion of the CIP award is deferred. Awards are no longer granted under the legacy LTIP and SLTIP, however, some grants made prior to 2022 are still outstanding.

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, 2023. 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.

	Actual 2023	Budget 2023	Actual 2022
For the year ended March 31,			
($, millions of Canadian dollars)			
Third-party management fees	$ 386	$ 447	$ 336
Third-party pursuit costs	21	18	8
Third-party custody fees	6	6	6
Third-party costs before performance	413	471	350
AIMCo costs before performance	222	201	182
Total costs before performance	**635**	**672**	**532**
Third-party performance costs	242	159	407
AIMCo performance costs	116	64	135
Performance costs	**358**	**223**	**542**
Total costs	**$ 993**	**$ 895**	**$ 1,074**
Assets under management (AUM)			
Internally managed	$ 108,539	$ 110,526	$ 111,455
Externally managed	52,605	54,437	50,716
Total AUM at March 31	**$ 161,144**	**$ 164,963**	**$ 162,171**
Average AUM	$ 158,055	$ 161,403	$ 148,942
Total costs, basis points (bps)	**62.8**	**55.5**	**72.1**
Total costs before performance, bps	**40.2**	**41.6**	**35.7**
AIMCo costs before performance, bps	**14.0**	**12.5**	**12.2**
2022 Calendar year net return (loss) (%) [(1)]	**(3.4%)**	**n/a**	**14.7%**
2022 Calendar year excess returns (%) [(1)]	**1.8%**	**0.3%**	**6.7%**

(1) AIMCo Total Fund performance return and excess returns results are net of fees and do not include $22.9 billion of assets transferred from Alberta Teachers' Retirement Fund, Alberta Health Services and Workers' Compensation Board - Alberta in 2021 that have not yet met the required conditions for inclusion in AIMCo investment performance results as at December 31, 2022.

Total Costs

March 31, 2023 (fiscal 2023) costs of $993 million increased compared to the budget of $895 million largely driven by calendar year 2022 investment performance in excess of benchmarks and four-year average performance results which included the strong calendar year 2021 performance. Strong calendar year 2021 performance was a key driver contributing to the $1,074 million of costs in the prior year. Total four-year fund return of 5.9% outperformed the benchmark of 5.3% and resulted in total excess returns, net of costs, of 0.6%. AIMCo's performance costs are partially driven by performance measures which include four-year average returns.

Third-Party Costs Before Performance

Third-party costs were lower than budget driven by the softened public investment market that has depressed external assets under management on which the fees are based and reduced third-party management fees to $386 million. The increase in third-party costs compared to the prior year is driven by the full year cost impact of the assets from Alberta Teachers' Retirement Fund (ATRF), Workers' Compensation Board of Alberta (WCB) and Alberta Health Services (AHS), which were largely externally managed, that transitioned in the prior year.

Third-party pursuit costs are non-recurring in nature and are based on 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 $222 million or 10% higher than budget. The variance to budget is primarily due to strategic initiatives to develop AIMCo's Corporate Strategy. The increase over the prior year was also driven by growth in headcount to support the assets transitioned from ATRF, WCB and AHS and escalated system maintenance and data costs.

Performance Costs

Performance costs are difficult to budget as they largely depend on future investment performance. Total performance costs of $358 million for fiscal 2023 were driven by strong performance from third-party fund managers that delivered returns in excess of benchmarks and AIMCo's strong four-year investment performance.

Financial Statements

Alberta Investment Management Corporation

Financial Statements

For the year ended March 31, 2023

Management's Responsibility for Financial Reporting

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

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

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

The Audit Committee has reviewed the financial statements and has recommended their approval by the Board of Directors.

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

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

[Original signed by Evan Siddall]

Evan Siddall
Chief Executive Officer

[Original signed by Paul Langill]

Paul Langill
Chief Financial Officer

Independent Auditor's Report

Auditor General OF ALBERTA

To the Shareholder of Alberta Investment Management Corporation

Report on the Financial Statements

Opinion

I have audited the financial statements of Alberta Investment Management Corporation (the Corporation), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, change in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2023, and the results of its operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Corporation in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon. The Annual Report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the

financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

May 30, 2023
Edmonton, Alberta

Statement of Financial Position

As at March 31, *(Thousands of Canadian dollars)*	**2023**	**2022**
Financial assets		
Cash and cash equivalents (Note 5)	$ 42,957	$ 148,899
Accounts receivable	39,104	31,956
Other assets	-	2,416
	82,061	183,271
Liabilities		
Accounts payable and accrued liabilities	8,279	16,071
Accrued employment liabilities (Note 6)	92,852	161,340
Advance from the Province of Alberta (Note 7)	25,000	58,349
Pension liabilities (Note 9)	5,759	5,307
Deferred lease inducement (Note 16)	1,469	1,594
	133,359	242,661
Net debt	(51,298)	(59,390)
Non-financial assets		
Tangible capital assets (Note 10)	40,200	51,922
Prepaid expenses	14,745	11,115
	54,945	63,037
Net assets (Note 11)	$ 3,647	$ 3,647

Contractual obligations (Note 16)
Contingent liabilities (Note 17)

The accompanying notes are part of these financial statements.

Approved by the Board:

[Original signed by Mark Wiseman]

Mark Wiseman
Board Chair

[Original signed by Tom Woods]

Tom Woods
Audit Committee Chair

Statement of Operations

For the year ended March 31, *(Thousands of Canadian dollars)*	2023 Budget (Note 18)	2023	2022
Revenue			
Cost recoveries	$ 895,366	$ 990,581	$ 1,073,631
Interest income	-	2,557	210
Total revenue	895,366	993,138	1,073,841
Expenses			
Third-party investment management fees (Note 12)	447,529	386,097	336,789
Third-party performance fees (Note 12)	158,973	242,268	406,671
Third-party other fees (Note 12)	23,939	27,049	13,739
Salaries, wages and benefits	163,043	222,355	227,949
Business technology and data services	43,215	43,080	36,552
Amortization of tangible capital assets (Note 10)	20,381	21,064	19,357
Contract and professional services	15,359	30,927	17,211
Rent	11,346	8,062	9,487
Administrative expenses	11,081	10,871	5,641
Interest	500	1,365	445
Total expenses	895,366	993,138	1,073,841
Annual surplus	$ -	$ -	$ -

The accompanying notes are part of these financial statements.

Statement of Change in Net Debt

For the year ended March 31, *(Thousands of Canadian dollars)*	**2023** Budget (Note 18)	**2023**	**2022**
Annual surplus	$ -	$ -	$ -
Acquisition of tangible capital assets (Note 10)	(14,300)	(10,552)	(10,582)
Write-downs of tangible capital assets (Note 10)	-	1,210	-
Amortization of tangible capital assets (Note 10)	20,381	21,064	19,357
Change in prepaid expenses	-	(3,630)	64
Decrease in net debt in the year	6,081	8,092	8,839
Net debt at beginning of year	(59,390)	(59,390)	(68,229)
Net debt at end of year	$ (53,309)	$ (51,298)	$ (59,390)

The accompanying notes are part of these financial statements.

Statement of Cash Flows

For the year ended March 31, *(Thousands of Canadian dollars)*	2023	2022
Operating transactions		
Annual surplus	$ -	$ -
Non-cash items:		
Amortization of tangible capital assets (Note 10)	21,064	19,357
Write-downs of tangible capital assets (Note 10)	1,210	-
Amortization of deferred lease inducement	(125)	(158)
Change in pension liabilities (Note 9)	452	494
	22,601	19,693
(Increase) in accounts receivable	(7,148)	(7,303)
Decrease in other assets	2,416	-
(Increase) Decrease in prepaid expenses	(3,630)	64
(Decrease) Increase in accounts payable and accrued liabilities	(7,792)	6,394
(Decrease) Increase in accrued employment liabilities	(68,488)	86,669
Cash (applied to) provided by operating transactions	(62,041)	105,517
Capital transactions		
Acquisition of tangible capital assets (Note 10)	(10,552)	(10,582)
Cash (applied to) capital transactions	(10,552)	(10,582)
Financing transactions		
Debt retirements (Note 7,8)	(68,349)	(955,000)
Debt issues (Note 7,8)	35,000	955,000
Cash (applied) to financing transactions	(33,349)	-
(Decrease) Increase in cash and cash equivalents	(105,942)	94,935
Cash and cash equivalents at beginning of year	148,899	53,964
Cash and cash equivalents at end of year	$ 42,957	$ 148,899
Supplementary information		
Cash used for interest	$ 840	$ 242

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2023 (Thousands of Canadian dollars, except where otherwise noted)

NOTE 1
AUTHORITY

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

NOTE 2
NATURE OF OPERATIONS

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

The Corporation has assets under administration of $161.1 billion (2022: $162.2 billion) at March 31, 2023, see Note 13. These assets are invested in segregated investments owned by clients or aggregated in one or more pooled investment portfolios managed by the Corporation. Some of these assets are managed by third-party investment managers selected and monitored by the Corporation in order to achieve greater diversification, as well as to access external expertise and specialized knowledge. The segregated assets and the assets within the pooled investment portfolios are not consolidated in the financial statements of the Corporation. The Corporation makes investments on behalf of its clients and may also establish 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 financial statements.

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

NOTE 3
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

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

a) Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. Third-party investment management fees, which are recorded as $386,097 (2022: $336,789), third-party performance fees, which are recorded as $242,268 (2022: $406,671), accrued employment liabilities, which are recorded as $92,852 (2022: $161,340) and pension liabilities, which are recorded as $5,759 (2022: $5,307) in these financial statements, are subject to measurement uncertainty. Third-party investment costs include estimates of management and performance fees that are based upon specified rates and commitment levels in the investment management agreements. Accrued employment liabilities include estimates of performance compensation that are tied to asset class and total fund 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 9 for a description of the key assumptions and how a change in the assumptions can impact the reported pension liabilities.

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

b) Revenue Recognition

All revenues are reported on the accrual basis of accounting. Cost recovery revenue is recognized on the recovery of direct 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.

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

b) Revenue Recognition (continued)

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

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

c) Expenses

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

Third-party investment costs include third-party investment management and performance-based fees, as well as other expenses incurred on behalf of the Corporation's clients, also disclosed in Note 12.

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

d) Financial Assets

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

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

<u>Accounts Receivable</u>
Accounts receivable are unsecured, non-interest bearing and are recognized at the lower of cost or net recoverable value. Provision for doubtful accounts are made to reflect accounts receivable at the lower of cost and net recoverable value, when collectability and risk of loss exists. Changes in doubtful accounts are recognized in administrative expenses in the Statement of Operations (2023 and 2022: $nil).

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

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

e) Liabilities

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

Liabilities also include:

- all financial claims payable by the Corporation at year-end;
- accrued employee 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.

f) 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.

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

f) Non-Financial Assets (continued)

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 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 $1,210 (2022: $nil) are accounted for as expenses in the Statement of Operations.

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

g) Valuation of Financial Assets and Liabilities

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

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

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

The Corporation is not the beneficial owner of any derivative financial instruments entered into on behalf of its clients.

h) Employment Benefits

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

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

h) Employment Benefits (continued)

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

The Corporation provides retention incentives to certain employees through a Corporate Incentive Plan (CIP), a Long-Term Incentive Plan (LTIP), and a Restricted Fund Unit Plan (RFU). The potential end value of these awards, if and when vested, fluctuate over the vesting period based on investment returns, corporate, team and individual objectives, as applicable, and are expensed as salaries, wages, and benefits over the vesting period. The liability for the awards are 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 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. The incentive awards were paid out in March 2023 compared to April 2022 in the prior year.

i) Foreign Currency

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

NOTE 4
FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board issued the following accounting standards:

PS 3400 Revenue (effective April 1, 2023)
This standard provides guidance on how to account and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. Management is currently assessing the impact of this standard on the financial statements.

PSG-8 Purchased intangibles (effective April 1, 2023)
This new guideline explains the scope of the intangibles allowed to be recognized in financial statements given the removal of the recognition prohibition relating to purchased intangibles in Section PS 1000. Management is currently assessing the impact of this guideline on the financial statements.

PS 3160 Public Private Partnerships (effective April 1, 2023)
This standard provides guidance on how to account for public private partnerships between public and private sector entities, where the public sector entity procures infrastructure using a private sector partner. Management is currently assessing the impact of this guideline on the financial statements.

NOTE 5
CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

As at March 31, *(Thousands of Canadian dollars)*	**2023**	**2022**
Canadian bank account	$ 41,951	$ -
Deposit in Consolidated Cash Investment Trust Fund	-	147,897
US bank account	60	59
British Pound Sterling bank account	946	943
	$ 42,957	$ 148,899

The Consolidated Cash Investment Trust Fund, created with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital, was decommissioned on September 30, 2022. Securities held by this Fund generated interest income of $841 for the period of April 1, 2022 to September 30, 2022 (2022: $210). The Corporation's Canadian dollar bank account generated interest amount of $1,716 (2022: $nil).

NOTE 6
ACCRUED EMPLOYMENT LIABILITIES

As at March 31, *(Thousands of Canadian dollars)*	**2023**	**2022**
Corporate incentive plan (a)	$ 39,607	$ 17,266
Annual incentive plan (b)	-	40,963
Long-term incentive plan (c)	40,112	87,954
Restricted fund unit incentive plan (d)	7,288	3,777
Accrued vacation, salaries and benefits (e)	5,845	11,380
	$ 92,852	$ 161,340

a) Corporate Incentive Plan

Effective January 1, 2022, the Corporation introduced a new CIP. The CIP measures performance at the total fund, asset class, corporate, team and individual levels, incorporating a combination of quantitative and qualitative objectives. Total 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 CIP includes accruals for the annual incentive and mandatory deferred portions over the vesting periods. The Chief Executive Officer may also make limited discretionary awards. Total expense related to the CIP for the year ended March 31, 2023 was $88,407 (2022: $17,266) which was recorded in salaries, wages and benefits.

b) Annual Incentive Plan

With the introduction of the CIP effective January 1, 2022, the Corporation's Annual Incentive Plan (AIP) was discontinued at the end of the 2021 calendar year. The AIP was accrued based on goal attainment for the calendar year and paid in the subsequent year. Payments were tied to asset class and total fund excess returns over benchmarks and include a component for achievement of annual individual objectives. The Chief Executive Officer may also make limited discretionary awards. Total expense related to the AIP for the year ended March 31, 2023 was $nil (2022: $41,352) which was recorded in salaries, wages and benefits.

NOTE 6
ACCRUED EMPLOYMENT LIABILITIES (continued)

c) 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, 2023 are $58,497 (2022: $133,714). Total expenses related to the LTIP for the year ended March 31, 2023 was $17,222 (2022: $72,626) which was recorded in salaries, wages and benefits.

d) 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, 2023 are $17,570 (2022: $17,944). Total expense related to the RFU plan for the year ended March 31, 2023 was $9,537 (2022: $3,692) which was recorded in salaries, wages and benefits.

e) Accrued Vacation, Salaries and Benefits

Accrued vacation, salaries and benefits includes termination benefit accruals of $2,546 (2022: $6,883). Total termination benefit expenses is $3,645 (2022: $8,776).

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 $35,000 (2022: $nil) and repaid $68,349 (2022: $nil) to the Province of Alberta for the year ended March 31, 2023.

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 is $840 (2022: $103) and is included in the Statement of Operations. At March 31, 2023, the Corporation was in compliance with the terms of its revolving demand facility.

NOTE 8
DEBT

In connection with the investment management transition of certain assets from a client to AIMCo, the Corporation established an unsecured credit facility up to a maximum of $1,012,000 on September 29, 2021 with a maturity date of October 8, 2021. The facility was interest bearing at the Canadian dollar offered rate (CDOR) for the interest period plus 40 basis points. As at March 31, 2023, the outstanding debt totaled $nil (2022: $nil). Interest expense on the debt is $nil (2022: $139) and is included in the Statement of Operations.

NOTE 9
PENSION LIABILITIES

Information about the Corporation's SRP is as follows:

As at and for the year ended March 31, *(Thousands of Canadian dollars)*	**2023**	**2022**
Accrued retirement obligation		
Beginning of year	$ 10,910	$ 10,963
Current service cost	328	332
Interest cost	236	242
Benefits paid	(282)	(115)
Actuarial loss (gain)	586	(512)
End of year	11,778	10,910
Plan assets		
Fair value, beginning of year	4,243	4,077
Actual return on plan assets	(41)	101
Employer contributions	87	90
Employee contributions	87	90
Benefits paid	(282)	(115)
End of year	4,094	4,243
Funded status - plan deficit	(7,684)	(6,667)
Unamortized net actuarial loss	1,925	1,360
Reported liability	$ (5,759)	$ (5,307)
Current service cost	328	332
Interest cost	236	242
Expected return on plan assets	(89)	(88)
Amortization of net actuarial loss	151	188
Less: employee contributions	(87)	(90)
Total SRP expense	$ 539	$ 584

NOTE 9
PENSION LIABILITIES (continued)

The measurement date for the plan assets and the accrued retirement obligation for the Corporation's defined benefit pension plan is March 31. Actuarial valuations are performed at least every three years to determine the actuarial present value of the accrued retirement obligation. An actuarial valuation for funding purposes was prepared as of December 31, 2021. An extrapolation of the actuarial valuation dated December 31, 2021 was performed to March 31, 2023.

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

As at March 31,	2023	2022
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,	2023	2022
Annual discount rate	3.6%	2.1%
Annual salary increase - base	3.0%	2.0%
Expected long-term return on plan assets	7.3%	4.3%
Inflation rate	2.4%	2.0%

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 reported liability by $2,661 as at March 31, 2023 (2022: $2,690). A 1% increase in the salary scale assumption would result in an increase in the reported liability by $1,210 as at March 31, 2023 (2022: $861). A 1% increase in the inflation rate assumption would result in an increase in the reported liability by $1,184 as at March 31, 2023 (2022: $1,244).

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 $7,704 (2022: $6,869) for the year ended March 31, 2023 which was recorded in salaries, wages and benefits.

NOTE 9
PENSION LIABILITIES (continued)

Pension and Disability Plans (continued)

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

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

At December 31, 2022, MEPP reported a surplus of $924,735 (2021: surplus of $1,348,160) and PSPP a surplus of $4,258,721 (2021: surplus of $4,588,479).

NOTE 10
TANGIBLE CAPITAL ASSETS

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

	Computer systems hardware and software	Leasehold improvements	Furniture and equipment	2023	2022
Cost					
Opening balance	$ 154,360	$ 7,531	$ 5,503	$ 167,394	$ 157,099
Additions	8,679	1,150	723	10,552	10,582
Disposals	(6,258)	-	(5)	(6,263)	(287)
Write downs	(1,210)	-	-	(1,210)	-
Closing balance	155,571	8,681	6,221	170,473	167,394
Accumulated amortization					
Opening balance	109,031	1,387	5,054	115,472	96,402
Amortization expense	20,320	640	104	21,064	19,357
Effect of disposals	(6,258)	-	(5)	(6,263)	(287)
Closing balance	123,093	2,027	5,153	130,273	115,472
Net book value at March 31	$ 32,478	$ 6,654	$ 1,068	$ 40,200	$ 51,922

Cost includes work-in-progress at March 31, 2023 totaling $861 (2022: $1,975) comprised of computer systems hardware and software.

NOTE 11
NET ASSETS

Net assets is made up as follows:

As at March 31, *(Thousands of Canadian dollars)*	**2023**	**2022**
Contributed surplus (a)	$ 3,647	$ 3,647
Share capital (b)	-	-
	$ 3,647	$ 3,647

a) Contributed Surplus

Contributed surplus of $3,647 (2022: $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 (2022: $nil).

NOTE 12
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, 2023, approximately 67% of assets under management are managed internally by the Corporation, and the remaining 33% through third-party investment managers. Third-party performance fees vary from year to year, and when compared to budgeted amounts, as these fees are directly correlated with investment performance. Higher investment returns generally result in higher third-party performance fees. These fees include significant estimates and are subject to measurement uncertainty. Actual results could differ from these estimates. These costs are incurred directly by the Corporation's investment portfolios.

NOTE 12
THIRD-PARTY INVESTMENT COSTS (continued)

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 $100,224 for the year ended March 31, 2023 (2022: $64,491).

NOTE 13
ASSETS UNDER ADMINISTRATION

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

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

At March 31, 2023, assets under administration totaled $161.1 billion (2022: $162.2 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)*	**2023**	**2022**
Pension plans	$114,288,179	$112,062,863
Ministry of Treasury Board and Finance		
General revenue and entity investment funds	8,132,880	9,384,801
Endowment funds (including the Alberta Heritage Savings Trust Fund)	25,869,204	25,407,728
Insurance-related funds	12,608,847	13,360,292
Other Government Ministry investment funds	244,672	1,955,497
	$161,143,782	$ 162,171,181

NOTE 13
ASSETS UNDER ADMINISTRATION (continued)

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:

As at March 31, *(Thousands of Canadian dollars)*	**2023**	**2022**
Fixed income		
Fixed income	$33,082,587	$37,495,713
Private mortgages	4,755,536	4,161,694
Private debt and loan	6,322,436	4,884,074
Inflation sensitive		
Real estate	23,308,662	21,539,165
Infrastructure and renewable resources	22,954,188	17,225,651
Real return bonds and commodities	1,294,332	1,616,894
Equities		
Public equities and absolute return strategies	56,644,763	63,458,179
Private equity and venture capital	12,460,314	11,503,925
Overlays	319,569	285,886
Client Directed Trades	1,395	-
	$161,143,782	$162,171,181

Pursuant to the Ministerial Order no. 23/2008, the Corporation has made available a facility to access up to a maximum of $300,000 for letters of credit. This facility is utilized by the investment pools and at March 31, 2023 the balance outstanding against the facility is $55,896 (2022: $64,790).

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, 2023, the outstanding balance against the facility is $377,296 (2022: $nil) and is excluded from AIMCo's Statement of Financial Position.

NOTE 14
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, 2023 and the prior year, there were no transactions between the Corporation and Key Management Personnel and their Close Family Members, that did not take place at fair market value.

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

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

For the year ended March 31, *(Thousands of Canadian dollars)*	**2023**	**2022**
Revenues		
Direct cost recoveries [1]	$ 207,443	$ 225,194
Indirect cost recoveries [1]	104,152	97,172
Interest income	1,716	210
	313,311	322,576
Expenses		
Interest on advance from the Province of Alberta	260	33
Contracted services [2]	392	327
	652	360
Assets		
Accounts receivable [1]	12,358	10,162
Liabilities		
Accounts payable	27	301
Advance from the Province of Alberta	25,000	58,349
	$ 25,027	$ 58,650

[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.

NOTE 15
SALARIES AND BENEFITS DISCLOSURE

The Corporation has included certain required disclosures in the Compensation Discussion & Analysis section of the 2022 Annual Report relating to the Board of Directors' compensation and an audited compensation section relating to executive and key management personnel compensation.

NOTE 16
CONTRACTUAL OBLIGATIONS

Contractual obligations of $195,189 (2022: $203,076) 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)*	**2023**
2024	$ 52,236
2025	25,706
2026	19,366
2027	13,499
2028	12,295
Thereafter	72,087
Total	$ 195,189

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. AIMCo intends to defend these claims vigorously.

NOTE 18
2023 BUDGET

The Corporation's budget for the year ended March 31, 2023 was approved by the Board of Directors in the amount of $895,366 on December 1, 2021.

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, 2023, the total carrying amount in accounts receivable balance is current.

b) Liquidity Risk

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

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

NOTE 19
FINANCIAL RISK MANAGEMENT (continued)

c) Foreign Exchange Risk

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

The carrying amount of the Corporation's US and British Pound Sterling denominated foreign currency in accounts payable and accrued liabilities as at March 31, 2023 is $870 (2022: $5,556) and $389 (2022: $356), respectively.

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 the interest rate is $250 (2022: $583).

NOTE 20
APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on May 30, 2023.

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