from *vision* to action

ALBERTA INVESTMENT MANAGEMENT CORPORATION
ANNUAL REPORT 2009/10

From vision to action. This has been AIMCo's journey since January 1, 2008, when we began operating as a Crown corporation with a clear mandate to provide superior long-term investment results for our clients. To achieve that goal, we upgraded our systems and processes. We sought out the best people to join our team. We developed new strategies, pursued new opportunities and established a culture focused on performance. We hope that strong results in fiscal 2010 portend more good things to come.

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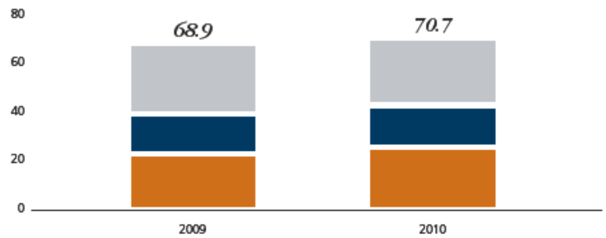
Assets Under Management

For the years ended March 31 ($ billions)

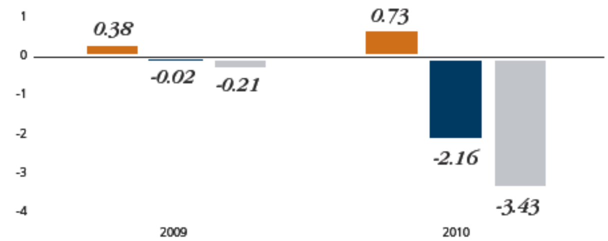
AIMCo ANNUAL ASSETS UNDER MANAGEMENT

■ *Pensions* ■ *Endowments* ■ *Government Funds*



ANNUAL NET CONTRIBUTIONS

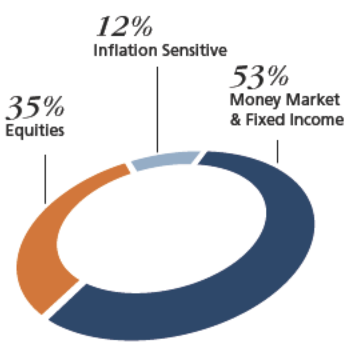
■ *Pensions* ■ *Endowments* ■ *Government Funds*



Asset Mix

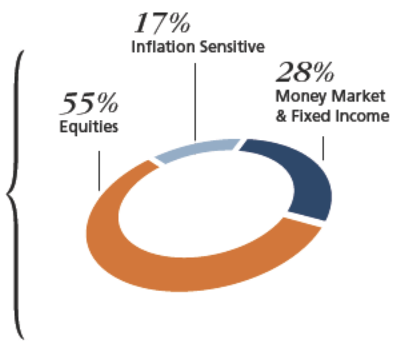
As at March 31, 2010

AIMCo TOTAL

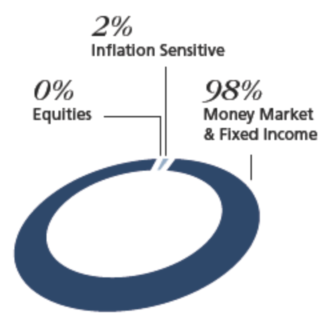


BALANCED FUNDS

(Pensions & Endowments)



GOVERNMENT FUNDS

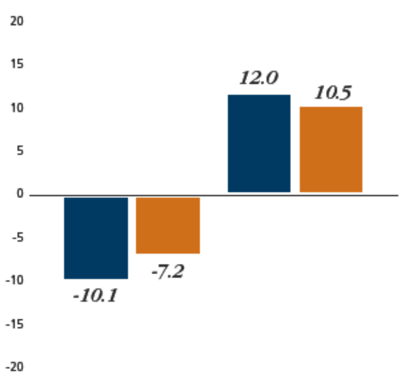


Investment Performance

For the years ended March 31 (%)

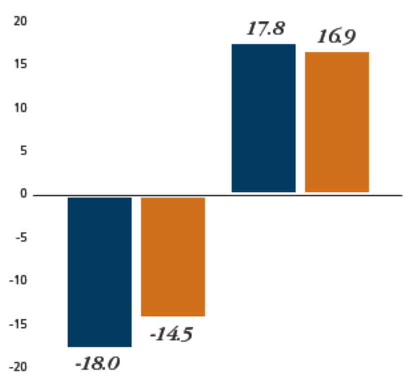
AIMCo TOTAL

■ *Actual* ■ *Benchmark*[1]



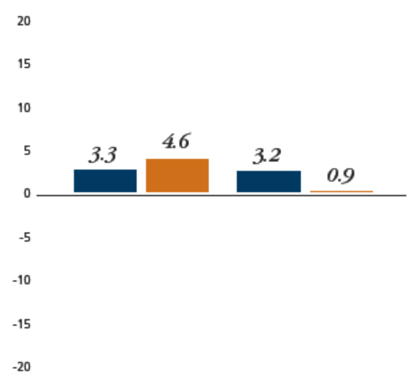
BALANCED FUNDS *(Pensions & Endowments)*

■ *Actual* ■ *Benchmark*[1]



GOVERNMENT FUNDS

■ *Actual* ■ *Benchmark*[1]



[1]*Based on Total AIMCo Client Composite Benchmark. Prior to July 1, 2009, a portion of AIMCo's government funds did not formally designate a benchmark. In order to provide total AIMCo and government fund composite benchmarks, AIMCo has retroactively applied (to April 1, 2008) the benchmarks approved by our clients.*

About AIMCo

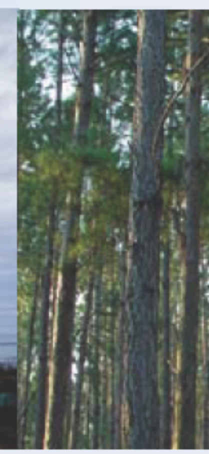
Who We Are

Alberta Investment Management Corporation (AIMCo) was established as a Crown corporation on January 1, 2008, and is one of Canada's largest institutional investment fund managers, with $71 billion under management. Our clients' assets were previously managed by a division of Alberta Finance and Enterprise.

AIMCo manages funds for a diverse group of Alberta public sector clients. We create portfolios that reflect the clients' chosen risk and return profiles. The majority of AIMCo's assets under management come from Alberta public sector pension plans and provincial endowment funds. Collectively known as AIMCo's Balanced Funds, these clients are primarily invested in equities, bonds and inflation sensitive products. Other assets, managed for the Government of Alberta, are generally invested in money market and short-term bonds.

Square One – Real Estate

Viterra – Public Equity



Global Forest Partners

What We Think We Know About Earning Superior Returns for Clients

Taking risk has a persistent long-term reward

Bonds provide high security of principal, but have low long-term returns. Stocks command much higher long-term returns, to compensate for rare but extreme losses in years like 2008. The equity risk premium will persist, since market returns cannot be anticipated in the short run.

We are risk managers

Our clients want rapid asset growth, but have a limited capacity to absorb downside risk. Risk is our scarce resource, to be deployed where it will earn the highest return.

Return and risk are best managed across all investments

Maximizing return/risk by asset class is suboptimal for the portfolio.

Active management can be an important source of return

Listed markets will always supply the bulk of our return. Superior security, sector and country selection can add value, with little incremental risk.

Who We Serve

We are proud to help 26 Alberta pension, endowment and government funds achieve a superior long-term return-on-risk.

- The pension funds meet the retirement income needs of nearly 300,000 active and retired public sector employees. In 2009, these funds paid out nearly $1.3 billion in pension payments, refunds and transfers to other plans.[1]
- The Alberta Heritage endowment funds constitute the largest system of its kind in Canada.
  - In the 2010 fiscal year, AIMCo earned over $2 billion for the Heritage Fund, "the single largest annual net income in its 34-year history".[2]
- The government funds we manage are used for Albertans' priorities such as health care, education, infrastructure and social programs.

Our clients are responsible for investment policy design, and actuarial and benefit administration services.

We provide investment management, performance measurement, administration, compliance and proprietary market research. In addition, we assist with asset-liability modelling, asset mix construction, benchmarks, investment policy statements and risk policies.

[1] *Source: Alberta Pension Services 2009 Annual Report.*
[2] *Source: Alberta Heritage Savings Trust Fund 2009–10 Annual Report.*

– Timberlands

TNT – Public Equity

Compañía Logística de Hidrocarburos – Infrastructure

Our comparative advantages are cash and patience

We can earn a premium return for being able to commit sizeable capital for long periods of time. Unlisted investments must offer better returns than their closest listed proxy.

Investment strategies must respond to change

Good investment ideas don't last forever. There is a reward for spotting new opportunities early. Some of the best opportunities do not fit asset class silos.

Good governance has a return

There are good business reasons for companies to act responsibly. We may use our influence as shareholders to improve business practices.

Our easiest return is money we do not have to spend

Managing internally is more cost-effective with the right expertise. Strong operational support can avoid costly operational errors.

Our goals should align with client objectives

We want to improve on what our clients could earn from passive investment in listed markets.

Assets Under Management

By client type as at March 31, 2010

	MARKET VALUE ($ MILLIONS)	ASSET CLASS[1] MONEY MARKET & FIXED INCOME	EQUITIES	INFLATION SENSITIVE
AIMCo TOTAL[2]	**$ 70,728**	53%	35%	12%
Balanced Funds	**$ 44,952**	28%	55%	17%
ENDOWMENT FUNDS[3]	**17,302**	25%	59%	16%
Heritage Savings Trust	**14,407**	25%	59%	16%
Heritage Medical Research	**1,288**	23%	63%	14%
Heritage for Science and Engineering	**728**	24%	62%	14%
Heritage Scholarship Trust	**710**	28%	60%	12%
Long Term Disability Bargaining Unit	**125**	30%	60%	10%
Long Term Disability Management	**44**	30%	60%	10%
PENSION PLANS	**27,650**	29%	53%	18%
Local Authorities	**15,771**	31%	47%	22%
Public Service	**5,613**	24%	62%	14%
Management Employees	**2,362**	31%	58%	11%
Universities Academic	**2,322**	19%	64%	17%
Special Forces	**1,367**	27%	58%	15%
Judges	**92**	43%	50%	7%
Judges Supplementary Retirement	**73**	46%	49%	5%
Management Supplementary Retirement	**50**	39%	51%	10%
Government Funds	**$ 25,776**	98%	0%	2%
SHORT-TERM GOVERNMENT FUNDS	**23,061**	100%	0%	0%
Sustainability[4]	**15,297**	100%	0%	0%
General Revenue Investments	**3,583**	100%	0%	0%
Money Market Depositors[5]	**3,014**	100%	0%	0%
Debt Retirement Account	**1,165**	100%	0%	0%
Management Closed Pension Membership	**2**	100%	0%	0%
Mildred Rowe Weston Estate	**0.1**	100%	0%	0%
SPECIAL PURPOSE GOVERNMENT FUNDS	**2,715**	85%	0%	15%
Workers' Compensation Board	**1,416**	72%	0%	28%
Agriculture Crop Insurance	**601**	100%	0%	0%
Alberta Cancer Prevention Legacy	**498**	100%	0%	0%
Credit Union Deposit Guarantee	**140**	100%	0%	0%
Special Areas Long Term Account	**28**	100%	0%	0%
Alberta Securities Commission	**31**	72%	28%	0%

[1] *Asset class weights as per AIMCo's categorization criteria.*

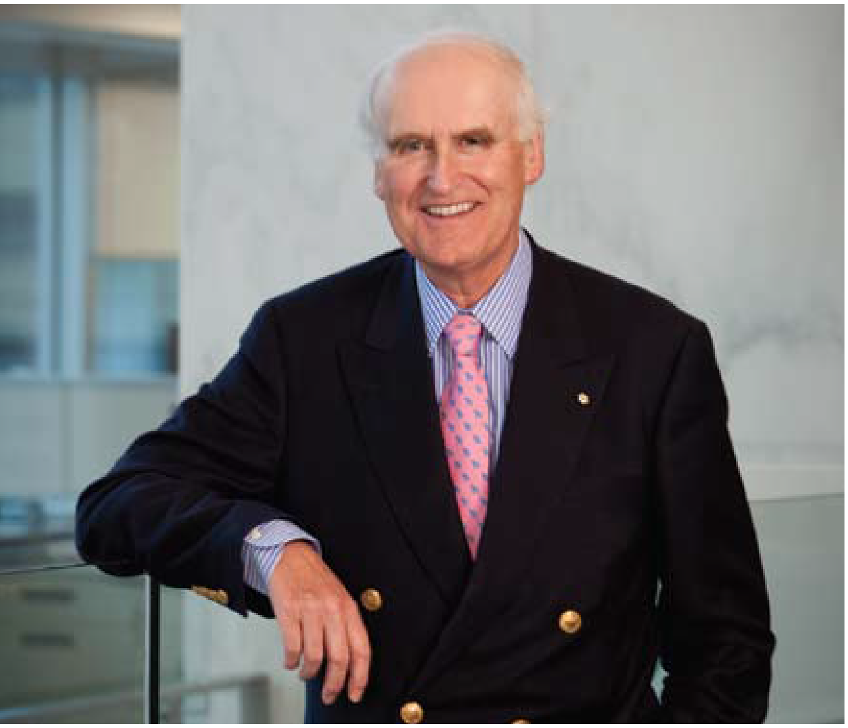
[2] *For Balanced Funds, notional exposures are not included in asset class calculations.*

[3] *Endowment Funds include two insurance-related funds totalling $0.2 billion.*

[4] *Alberta's Capital Account assets were transferred to the Sustainability Fund.*

[5] *Includes various government agencies, organizations, Crown corporations and other accounts.*

Message from the Chair



On behalf of the AIMCo Board, I am delighted to report on a very successful 2010 fiscal year. Our clients received a net return of 12.0%, including an impressive 1.2% incremental return from active management.

AIMCo was set up in 2008 to operate on commercial terms, at arm's length from the political process, based on strong evidence that an organization focused intently on investment governance would, over time, produce up to an additional 1% per year above market returns for $71 billion in provincial assets. To put that in perspective: 1% in extra return reduces the contributions needed to finance a pension by about 25%.

At $71 billion in assets, AIMCo has the scale to provide clients with a broad range of investment opportunities at very low cost. That, however, assumes we can attract, retain and reward creative people to seek out and administer opportunities with great returns.

And I am pleased to report that we did. We strengthened our operational foundation and added some highly able professionals in the past year. People are joining us from locations around the world to be part of building a nimble and innovative investment management firm.

Strengthening AIMCo's operational and investment capacity has not raised unit costs. The entire cost of improving operations to-date and a 22% increase in staff has been financed by reducing external management expenses without any detriment to investment returns since internal management is inevitably far more cost-effective.

AIMCo has been a catalyst for better governance and an improved investment process. The pace of change has been unrelenting. Our initial focus was on strengthening operations and risk management because the Board believes strongly that risk and operational controls constitute our primary vulnerability in our quest to build a preeminent Alberta-based investment management firm. We are now turning our attention to client relationships. That entails crisper and better reporting and an emphasis on communication. In that connection, we are encouraged that clients increasingly perceive value in working with us in their search for improved results.

I am pleased that over the last two years, AIMCo has enjoyed strong government and private support. However, despite good progress, we have unfinished business in aligning the laws and regulations that govern AIMCo with the ideas behind its creation so that AIMCo's management can devote all its energy to achieving the best possible returns for our clients.

We mean it when we say that AIMCo wants to attain consistently superior financial results in which Albertans can take justifiable pride. A year ago, we laid out our vision on how we expected to do this. In 2009, we put in place the major building blocks, and moved from vision to action. Success in investing must be measured over many years, but we hope that strong results in fiscal 2010 portend more good things to come.

Charlie Baillie

A. CHARLES BAILLIE, O.C.
Chair

Q+A with the CEO

LEO DE BEVER
Chief Executive Officer and Chief Investment Officer

"Last year, guided by our *vision,* we were putting people and systems in place, building our capacity. This year, we could focus on using that capacity, on putting our people and systems into *action.* We were also able to show some early benefits from the work we've done. We still have a long way to go, but we're off to a good start".

Q: How would you define AIMCo's investment approach?

A: We will consider any opportunity with a compelling return-on-risk and do not see the need to stick to narrowly defined asset classes. Yesterday's good idea can become tomorrow's high-priced fad, so we cast our net widely. We let our teams experiment with new ideas, initially on a small scale, and we understand that they won't always get it right. Our clients will do very well if we can get it right most of the time.

Q: Last year, AIMCo made big changes to its business systems and operations. Why?

A: AIMCo's predecessor had fallen behind in maintaining operations and controls because of budget constraints. That's a false economy because operations and investment technology are like the foundation of a house. Keeping it in good repair may not have much curb appeal, but without it, expect leaks, cracks and sagging walls. A great investment strategy requires the support of a strong operations group.

Q: Is AIMCo moving to a "one size fits all" approach to meeting its client needs?

A: AIMCo's size provides clients with significant economies of scale in asset management. Part of that cost advantage is lost when different clients define the same goal in multiple ways. We are following best practice by constructing standard asset class "building blocks" that can be fit together to represent almost any client risk tolerance and asset mix policy.

Q: If size is such a benefit, why have costs been rising over the last decade?

A: Large funds can implement any given asset mix at much lower cost as a percentage of assets. Most clients have seen costs more than double since 2000 because of rising allocations to external managers in asset categories that are more expensive to manage (e.g., infrastructure, private equity and hedge funds). As we build internal management capacity, we can manage most of those assets directly at one-third of the cost.

Q: Should you be paying bonuses when pension contributions are rising and the government is running a deficit?

A: Being able to attract good managers on competitive terms can improve long-term returns by 1% or more, enough to reduce pension costs by 25%. AIMCo should be judged on its performance against that objective. That's how we evaluate our investment team. For every dollar of incremental return, client portfolios keep about 95 to 98 cents; the remainder goes towards performance bonuses. This year, AIMCo is paying $10 million to internal managers for good performance. To keep that in perspective, we paid external managers $126 million in base fees for managing assets without performance criteria.

> "We will consider any opportunity with a *compelling return-on-risk* and do not see the need to stick to narrowly defined asset classes".

"Imagine this is 1910. How much extra return could you have earned by recognizing how electricity and the automobile were about to transform the economic landscape? That's the challenge we're trying to meet. We keep a close eye on the world around us so our clients can benefit from the *opportunities that come with change*".

Q: In 2008, Wall Street took outrageous risks that backfired and cost investors millions. How is AIMCo different?

A: It mostly comes down to incentives, transparency and culture. Our people are rewarded for earning superior returns for clients. Subprime mortgages and credit default swaps would have set off alarm bells in our risk management system. Our operations group is accountable and, as I'm frequently reminded, so am I. In our culture, people don't irresponsibly swing for the fences. Instead, our challenge is encouraging people to take enough risk – rigorously evaluated and managed – in order to earn the superior returns our clients want to see.

Q: You earned $748 million from active management. Should we expect this every year?

A: We worked hard and it paid off. However, sound investment strategies have volatile annual outcomes. Investing is not like chess, where the playing field and the rules are well-defined and winning is proof of superior strategy. A superior investment strategy only has a higher probability of yielding superior results in any given year. You have to evaluate performance over many years. If we surpass our $500 million target four years in a row, I'll take that as proof we should set higher targets.

Q: Where do you see the best investment prospects?

A: Most of our return will always reflect movements in bond and stock markets. The best opportunities for incremental return often come from anticipating, marginally better than others, what comes next. Imagine this is 1910. How much extra return could you have earned by recognizing how electricity and the automobile were about to transform the economic landscape? That's the challenge we're trying to meet. We keep a close eye on the world around us so our clients can benefit from the opportunities that come with change.

LEO DE BEVER
Chief Executive Officer and Chief Investment Officer

Executive Management Team

LEO DE BEVER
Chief Executive Officer and Chief Investment Officer

Leo de Bever leads the AIMCo team in its efforts to deliver superior long-term results for its clients. Leo holds a BA in Economics from the University of Oregon and received an MA and PhD in Economics from the University of Wisconsin at Madison.

JAGDEEP SINGH BACHHER
Chief Operating Officer

Jagdeep Singh Bachher manages AIMCo's relationship with clients, communications, operations, systems and technology, and finance. Jagdeep holds a BASc in Mechanical Engineering, and an MASc and PhD in Management Sciences from the University of Waterloo.

WARREN CABRAL
Chief Financial Officer

Warren Cabral is responsible for all financial operations and services for AIMCo. Warren holds the CA designation, is a member of the Institute of Chartered Accountants of Alberta and received a BComm from the University of Alberta.

CAROLE HUNT, Q.C.
Chief Legal Counsel and Corporate Secretary

Carole Hunt manages internal and external legal services provided to AIMCo as well as Compliance. Carole holds BComm, MBA and LLB degrees from the University of Alberta and is a member of the Law Society of Alberta.

JOHN OSBORNE
Chief Risk Officer

John Osborne oversees our operational and investment risk management program. John holds the CA designation, is a CFA charterholder and received a BAdmin from Brock University.

LORNE R. ANDERSON
Senior Vice President, Human Resources

Lorne Anderson leads our efforts to attract and retain the best for the AIMCo team. Lorne was a senior manager with one of Canada's leading chartered banks and is a Fellow of the Institute of Canadian Bankers.

SALLY CHAN
Vice President, Internal Audit

Sally Chan leads the internal audit function. Sally holds a CMA designation, is an associate of the Institute of Chartered Secretaries and Administrators in Canada, is Certified in the Governance of IT (CGEIT) and received an MA from the University of British Columbia.

Left to right: John Osborne, Sally Chan, Jagdeep Singh Bachher, Leo de Bever, Carole Hunt, Lorne R. Anderson, and Warren Cabral.

Managing Risk

Investment strategy seeks to balance the desire for high, long-term asset growth with a limited tolerance for the risk of short-term loss. This limit on downside risk becomes the scarce resource to be deployed where expected return is highest. Asset managers are, above all, risk managers.

Measuring risk is the first step towards controlling it. To this end, AIMCo is improving its risk management systems and the quality of the supporting data. Quantitative investment risk measurement systems have greatly improved over the last 20 years. Used properly, they give us a good measure of how bad things can be in extreme circumstances. Completing these efforts is a key objective for fiscal 2011.

The recent financial crisis emphasized the need to supplement what we know reasonably well with judgment about what is not quite so obvious. Risk of the assets we did hold was greatly increased by systemic risk from assets we did not hold. The rare conjunction of an equity crisis and a banking crisis also reminded us of the importance of having adequate liquidity.

We measure risk to manage it, not eliminate it. Good risk management can lead us to improve our return-on-risk through better diversification (i.e., by combining investments that do not all move down in value at the same time).

Risk measurements become a valuable input to a framework for comparing and contrasting the return and risk across opportunities. AIMCo is making this a central part of its investment culture because it furthers our ultimate objective: maximizing return on the risk we can afford to take.

We measure total risk (downside for our actual portfolio) and its components: passive risk (downside from poor market returns) and active risk (downside from poor manager decisions in deviating from our policy asset mix). Empirically, active risk does not add significantly to total risk. This happens because the risk in active strategies is, in practice, unrelated or negatively related to the market.

AIMCo's multi-client structure means that we monitor risk both in aggregate and at the client level. For a pension plan, failure of the assets to keep pace with pension liabilities is of prime concern. For an endowment fund, the key risk may be not being able to keep up with inflation or meeting spending targets. We are working with clients to make risk and risk limits explicit in their investment policies.

Investment Performance

ECONOMIC AND FINANCIAL CONDITIONS AND PROSPECTS

In 2009, massive public intervention restored liquidity to a banking system paralyzed by the crisis of 2008. Credit spreads narrowed, and both bond and stock markets recouped a large part of the previous year's losses. Output in nearly all countries recovered from recession, but at vastly different speeds. Recovery was, to a large extent, fuelled by expansionary fiscal and monetary policy. The question now is how soon increased private spending will allow public stimulus to take a back seat.

In setting our investment strategy, we have assumed that increased private spending may not happen for some time. High consumption and overinvestment in housing financed by cheap credit were a large part of the problem. Therefore, they are unlikely to be a significant part of the immediate solution. In North America, corporate profits are strong, but investment remains weak because of high excess capacity in many sectors. Many firms used the recession to improve productivity, so labour market recovery will be slow. Currency devaluation is, at best, a stop-gap for more fundamental adjustments.

Overlaying all of this is the longer-term fiscal pressure on health and pension systems from an aging population and the growing realization that some of the policies put in place many decades ago may not be sustainable. One senses a hunger for simple and painless solutions to this complex set of issues. That is probably naïve. Whatever political consensus eventually emerges will take time and involve unpopular changes to taxes and public spending. This is not the greatest recipe for robust focus on economic growth.

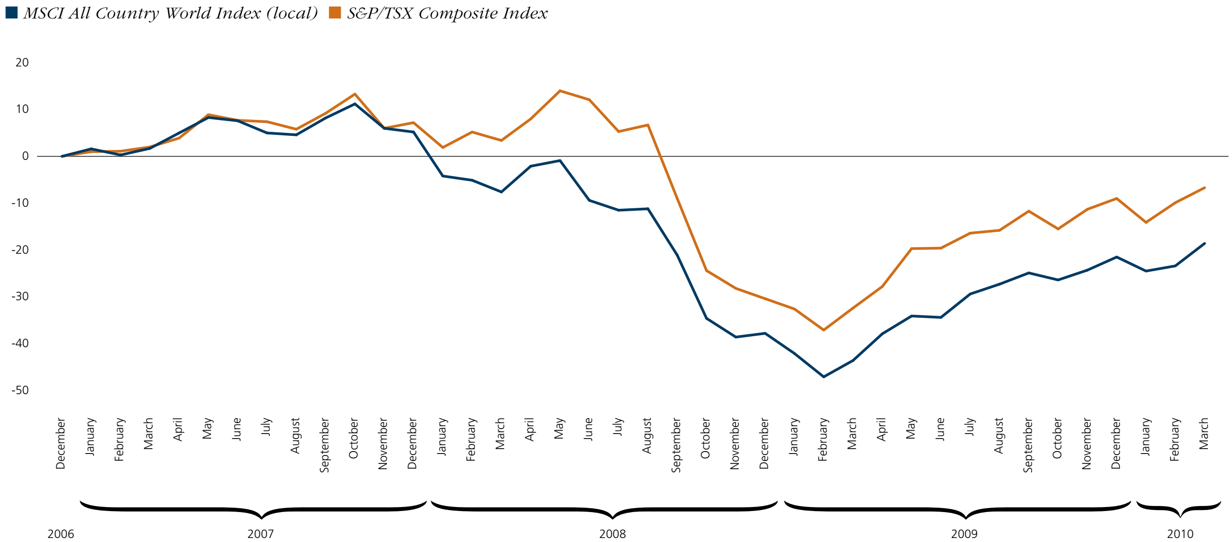
Anyone's ability to predict the three- to five-year return-on-capital with any accuracy is very limited. If markets were predictable, the return-on-equities would be both much lower and more stable. The best a long-term investor like AIMCo can do is to identify superior investments that largely stand on their own, but reflect our best estimate of what the future will bring.

In listed markets, the near-term outlook for stocks is mixed despite strong earnings growth because of doubts about the strength of the economic recovery. That same worry makes the near-term outlook for bonds attractive. However, the longer fiscal stimulus and low regulated interest rates are needed, the higher the medium-term risk is for higher inflation and higher interest rates. Given the inflation sensitivity of our clients' obligations, we continue to look for assets with long-term inflation sensitive returns.

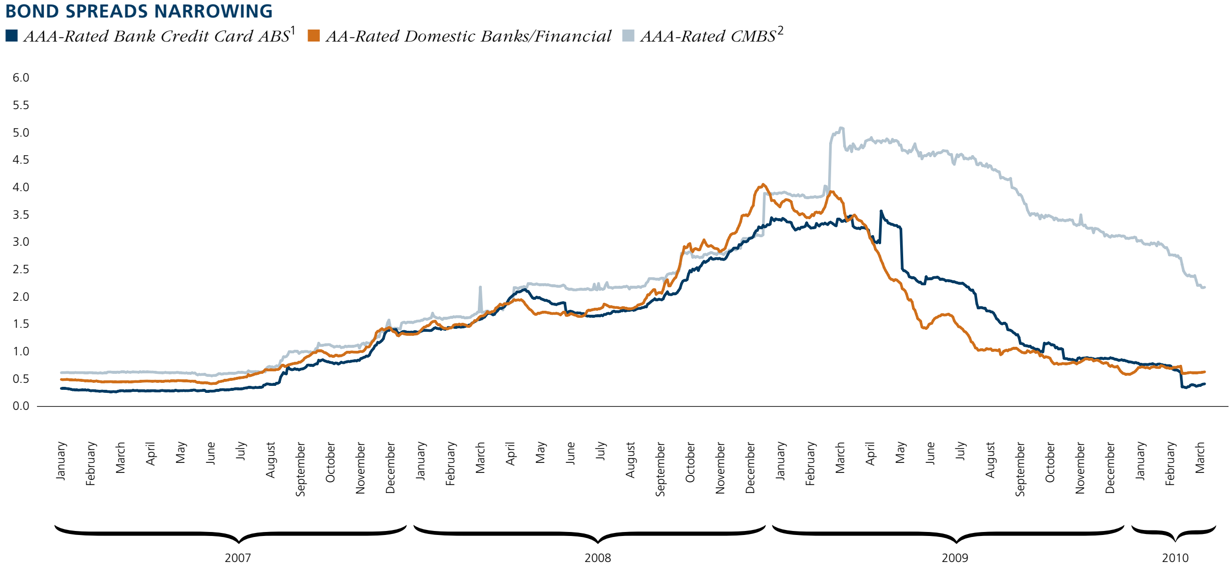
We would like to find effective ways to participate in the rapid growth of Asia and South America. However, economic growth has a distressingly low correlation with high investment returns. In many cases, it may be more rewarding to invest in sectors that export to regions experiencing rapid growth.

In private equity and debt, we are still seeing good opportunities with the recapitalization of companies that are fundamentally sound but have overextended themselves in the period just prior to the 2008 crisis. The next few years are promising for direct investments in private equity.

GLOBAL EQUITY MARKET CUMULATIVE PERFORMANCE



BOND SPREADS NARROWING



[1] *ABS is defined as Asset-Backed Securities.*

[2] *CMBS is defined as Commercial Mortgage-Backed Securities.*

TOTAL AIMCo PERFORMANCE

AIMCo's total fund return was 12.0% for the year ended March 31, 2010, outperforming the AIMCo Composite Benchmark by 1.2% and the AIMCo Client Composite Benchmark by 1.5%.

AIMCo TOTAL, BALANCED AND SHORT-TERM GOVERNMENT PERFORMANCE

As at March 31, 2010 (%)

	ANNUALIZED RETURNS
PERFORMANCE	1 YEAR
AIMCo TOTAL FUND COMPOSITE	12.0
Total AIMCo Composite Benchmark	10.8
Total AIMCo Client Composite Benchmark	10.5
BALANCED FUND COMPOSITE	17.8
Balanced Fund Client Composite Benchmark	16.9
SHORT-TERM GOVERNMENT FUND COMPOSITE	3.2
Short-Term Government Fund Client Composite Benchmark	0.9

PERFORMANCE BENCHMARKS

Prior to July 1, 2009, AIMCo measured performance against the asset-weighted composite of client investment policy benchmarks (i.e., the Total AIMCo Client Composite Benchmark). At one point, this measure had as many as 90 separate benchmark components. Some were minor variants of listed market benchmarks. Others reflected long-term inflation-adjusted total return aspirations that already included an expected return from active management. This structure stemmed from a historical focus on filling client demand for standalone investment "products". It is not well-suited to managing total portfolio risk and return, or for measuring the effectiveness of active management.

A client's policy benchmark should measure the net return from passively investing policy asset mix in listed bond and stock market indices. Unlisted allocations should be linked to the closest listed return and risk proxy. On July 1, 2009, AIMCo adopted internal performance management benchmarks consistent with this principle.

The 2010 fiscal year Total AIMCo Composite Benchmark reflects the Total AIMCo Client Composite Benchmark prior to July 1, 2009, and the new, market-based measures thereafter. The difference between these two measures will diminish over time. As client investment policies come up for revision, we are making considerable progress towards reducing benchmark complexity and setting separate active return goals.

We made these changes because there is merit in simplicity and conceptual consistency. We would have been better off last year using the AIMCo Client Composite Benchmark, but we believe the new benchmarks are the right benchmarks for the long term. Generally speaking, the absolute targets in the AIMCo Client Composite Benchmark will pose a higher hurdle for active management when markets are declining; whereas the new AIMCo benchmarks are more challenging when markets are rising.

Because this is a transition year, the remainder of the Investment Performance section reports on Balanced Fund actual performance and client composite benchmarks, as we have a longer return history for our Balanced Funds. Future annual reports will report only on the AIMCo Total Fund Composite.

AIMCo'S MARKET RETURN BENCHMARKS

As at March 31, 2010

ASSET CLASS	AIMCo BENCHMARK
FIXED INCOME	
Cash and money market	DEX 30-Day Canada T-Bill Index or DEX 91-Day Canada T-Bill Index
Short-term bonds	DEX Short-Term All Government Bond Index
Medium-term bonds, including mortgages	DEX Universe Bond Index
Long-term bonds	DEX Long-Term All Government Bond Index
INFLATION SENSITIVE AND ALTERNATIVES	
Real estate, Canadian and foreign	ICREIM/IPD Canadian Large Institutional All Property Index
Real return bonds	DEX Real Return Bond Index
Timberlands	50% DEX Real Return Bond Index / 50% MSCI World Index (hedged to Canadian dollar)
Infrastructure	50% DEX Real Return Bond Index / 50% MSCI World Index (hedged to Canadian dollar)
Commodities	S&P GSCI Total Return Index
EQUITIES	
Canadian public	S&P/TSX Composite Total Return Index
Global public	MSCI World Index
U.S. public	MSCI World Index
EAFE public	MSCI World Index
Emerging markets public	MSCI Emerging Markets Index
Hedge funds	HFRX Global Hedge Fund Index (hedged to Canadian dollar)
Private equity	25% S&P/TSX Composite Total Return Index / 75% MSCI World Index (ex Japan)
OVERLAYS	
Asset allocation and overlay pools	Benchmark appropriate for underlying asset class

RETURN FROM ACTIVE MANAGEMENT

For calendar 2009 and 2010, the Board and management agreed on a stretch target of $500 million for net value-added. This represents about 1% of balanced fund assets. This $500 million is allocated to various asset classes, based on where we expect opportunities to be the most attractive and on AIMCo's estimated capacity to exploit those opportunities.

For example, the calendar 2009 fixed income target was unusually large because we saw good prospects for capitalizing on 2008 market dislocation. Equities are given a large allocation in calendar 2010 because of improved capacity to focus on incremental return. Managers are given an active risk budget appropriate to their value-added target.

Fiscal 2010 value-added by active management above the Total AIMCo Composite Benchmark was $748 million. Short-term value-added is inherently volatile and active program effectiveness should be judged over longer periods.

The positive fiscal 2010 results came mostly from internally managed listed asset classes. Last year was not a good year for unlisted assets. Real estate and infrastructure have done well over longer periods. Our externally managed private equity portfolio suffered from high costs and heavy exposure to vintage year investments obtained near the peak of the last equity boom.

2009–10 VALUE-ADDED SUMMARY

As at March 31, 2010[1] ($ millions)

ASSET CLASS	MARKET VALUE	STRETCH VALUE-ADDED TARGET	ACTUAL TOTAL VALUE-ADDED
AIMCo TOTAL	$ 70,728	$ 500	$ 748
Money market, fixed income and private mortgages[2]	39,278	225	1,126
Public equity and commodities	23,503	88	738
Private equity	1,452	31	-256
Real estate	4,651	52	-461
Infrastructure and timberlands	1,730	19	-315
Overlays	114	85	-84

[1] *Fiscal year targets are a 75%–25% weighted average of stretch targets set for calendar years 2009 and 2010.*

[2] *Includes real return bonds.*

BALANCED FUND PERFORMANCE

AIMCo's Balanced Fund Composite return was 17.8% for the year ended March 31, 2010, outperforming the Balanced Fund Client Composite Benchmark of 16.9% by 0.9%.

MONEY MARKET AND FIXED INCOME

We internally manage approximately $38 billion in money market and fixed income assets. That makes AIMCo one of the largest fixed income managers in Canada. Approximately 33% of these assets are balanced fund (pensions and endowments) mandates while 67% are government funds.

BALANCED FUNDS – MONEY MARKET AND FIXED INCOME PERFORMANCE

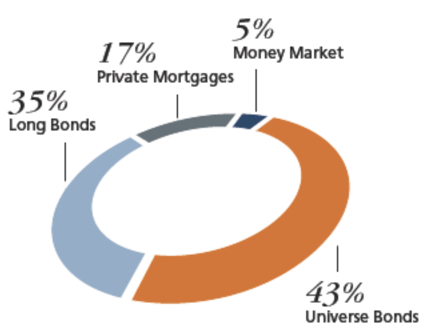
As at March 31, 2010

BALANCED FUNDS – MONEY MARKET AND FIXED INCOME PERFORMANCE	MARKET VALUE ($ MILLIONS)	ANNUALIZED RETURNS (%)		CALENDAR YEAR RETURNS (%)			
		1 YEAR	4 YEAR	2006	2007	2008	2009
MONEY MARKET & FIXED INCOME	$ 12,174	10.1	4.3	5.0	2.4	-0.1	6.5
Money Market & Fixed Income Benchmark		4.5	5.1	4.0	3.9	6.3	4.0
MONEY MARKET	641	1.2	3.8	3.9	6.2	4.2	1.6
DEX 91-Day T-Bill Index		0.3	2.9	4.0	4.4	3.3	0.6
UNIVERSE BONDS	5,121	11.3	3.8	4.8	1.7	-2.2	7.8
DEX Universe Bond Index		5.1	5.3	4.1	3.7	6.4	5.4
LONG BONDS	4,322	10.5	4.2	4.5	2.5	-1.1	6.2
Long Bond Benchmark[1]		3.9	4.9	3.9	4.3	5.9	1.5
PRIVATE MORTGAGES[2]	2,090	7.6	6.1	5.0	3.8	8.2	3.6

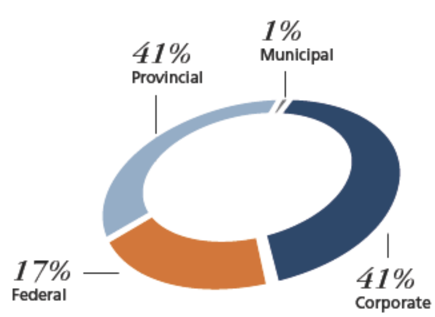
[1] *The Long Bond Benchmark composite comprises the DEX Long-Term All Government Bond and DEX Long Bond indices.*

[2] *AIMCo's balanced fund clients do not have a specific policy allocation to private mortgages.*

BALANCED FUNDS – MONEY MARKET & FIXED INCOME ASSET MIX
(As at March 31, 2010)



BALANCED FUNDS – SUMMARY OF FIXED INCOME HOLDINGS
(As at March 31, 2010)



MONEY MARKET

Portfolio Strategy

These funds are expected to provide liquidity and capital preservation while offering net positive returns from active management. For the 2010 fiscal year, core investments continued to be held in traditional money market securities to meet liquidity requirements.

We attempt to add value through credit selection, duration and liquidity management. With interest rates near zero and very tight credit spreads on traditional money market securities, opportunities for value-added are limited.

Performance

Absolute returns remained low, but active returns were exceptional: the money market component of the balanced fund composite outperformed the DEX 91-Day T-Bill benchmark by 0.9%.

During the first half of 2009, as interest rates declined, we added considerable value by maintaining an average duration significantly longer than the benchmark. As this source of active return waned, we shifted our asset mix from government securities to more credit exposure, which paid off as credit spreads narrowed.

FIXED INCOME

Portfolio Strategy

This part of the portfolio is structured to provide liquidity, should it be needed. Our active strategy has four principal components:

1. ***Anticipating changes in the general level of interest rates.***
2. ***Moving between corporate and government securities.***
3. ***Anticipating the term structure of interest rates (e.g., yield curve).***
4. ***Security selection.***

Performance

The universe and long bond components of our balanced fund composite returned 11.3% and 10.5%, respectively, outperforming their benchmarks by 6.2% and 6.6%.

Calm returned to the credit markets during the 2010 fiscal year, allowing risk premiums to subside and spreads to contract. Our fixed income portfolios were overweight in high quality corporate bonds that moved up in price as the credit market recovered in 2009. We were able to add to corporate bond positions during the crisis at distressed prices, and those investments are now adding value for our clients.

In general, the shorter duration funds have regained all that was lost in 2008. Although the recovery has been quick, there is still considerable "yield carry" in the portfolios and there are significant pockets of value in the debt markets that should help drive future performance.

MORTGAGES

Portfolio Strategy

Mortgages provide consistent monthly cash flow. We invest conservatively in first mortgage loans in major Canadian markets. The portfolio is diversified by property type, geographic location and industry sectors. We lend against office, shopping centre, industrial and Canada Mortgage and Housing Corporation (CMHC)-insured multi-unit residential properties in select metro areas offering attractive returns relative to risk. While pursuing scale economies and better return-on-risk for our clients, we continue to be mindful of providing each client with a specific portfolio that meets their needs.

There are no loans in arrears and there has been no impairment in this current economic downturn. The portfolio does have an allocation to specialty mortgages (mezzanine loans, bridge loans, B-notes, second mortgages) to earn enhanced yield at acceptable risk levels. The pool is duration managed to the DEX Universe Bond Index.

Performance

The Mortgage portfolio returned 7.6% for the 2010 fiscal year, outperforming the DEX Universe Bond Index by 2.5%. This strong outperformance is a result of Canadian commercial mortgage spread compression that started in November 2009.

EQUITIES

Our equity strategies span the full range of strategies from indexing to arbitrage investments, quantitative and structured equities, absolute return, relationship investing and private equity. We shift between strategies depending on our level of conviction about relative return/risk.

BALANCED FUNDS – EQUITIES PERFORMANCE

As at March 31, 2010

	MARKET VALUE	ANNUALIZED RETURNS (%)		CALENDAR YEAR RETURNS (%)			
BALANCED FUNDS – EQUITIES	($ MILLIONS)	1 YEAR	4 YEAR	2006	2007	2008	2009
EQUITIES	$ 24,855	30.8	-1.4	19.8	0.6	-30.5	20.1
Equities Benchmark		27.9	-0.5	19.0	-1.1	-25.7	19.0
CANADIAN EQUITY	6,760	45.2	2.7	16.8	10.2	-33.8	35.6
Canadian Equity Benchmark[1]		44.8	2.7	17.3	9.2	-34.0	37.8
GLOBAL EQUITIES	16,643	28.4	-3.5	20.9	-4.4	-30.4	15.8
Global Equities Benchmark[2]		22.3	-2.9	20.0	-6.4	-24.5	11.8
DEVELOPED EQUITY	14,687	29.3	-4.3	21.5	-6.7	-30.4	14.7
EMERGING MARKETS EQUITY	351	49.0	3.0	31.0	15.6	-45.6	55.8
HEDGE FUNDS	1,605	20.9	1.0	10.4	9.4	-26.9	16.8
PRIVATE EQUITY	1,452	-3.7	3.8	32.1	9.0	-12.7	-1.6
Private Equities Benchmark[3]		10.8	9.7	9.8	10.6	8.7	10.1

[1] *The Canadian Equity Benchmark composite comprises the S&P/TSX Composite Capped, S&P/TSX Composite and the BMO Small Cap indices.*

[2] *The Global Equities Benchmark composite comprises the S&P 500, S&P 1500, Russell 2500, MSCI EAFE, MSCI World ex Canada, MSCI ACWI, MSCI Emerging Markets Free Index, HFRX Global Hedge Fund (hedged in Canadian dollars) and CPI plus 6% indices.*

[3] *The Private Equity Benchmark composite comprises the MSCI ACWI, CPI plus 8% and S&P/TSX Composite plus 2.5% indices.*

PUBLIC EQUITY

Listed equity markets rebounded in the spring of 2009, following a sharp decline in the previous year. Strong internal active performance added significant value, despite the cost of portfolio restructuring. As a group, external managers severely underperformed.

Portfolio Strategy

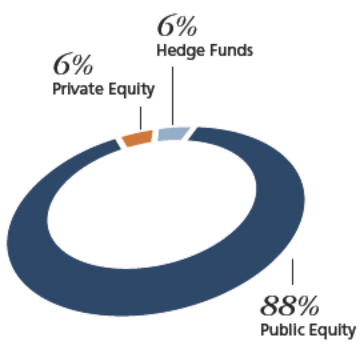
We now manage client equity exposure as a portfolio of strategies, instead of at the individual product level. All internal and external portfolios are aggregated and evaluated on an ongoing basis. Costs, risk and returns are monitored across a number of dimensions including size, style (e.g., value, growth), sector and regional exposures. If necessary, we use derivative overlays to modify overall risk. While pursuing scale economies and better return-on-risk for our clients, we continue to be mindful of providing each client with a specific portfolio that meets their needs.

In the 2010 fiscal year, we undertook a thorough review of all products and mandates. We have begun to allocate capital more efficiently between portfolios in a way that improves expected value-added at lower levels of risk. The allocation is based on a total portfolio approach that includes a quantitative optimization that focuses on managers with good risk-adjusted returns, consistent and stable alphas over a business cycle, and low correlations to each other.

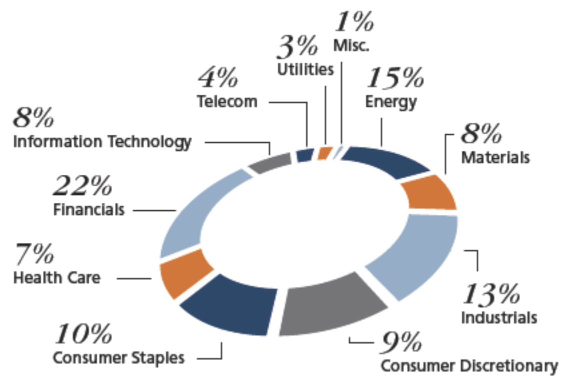
We believe that the revamped public equities program consisting of fewer, higher conviction and higher quality mandates will generate improved and more stable value-added within a controlled level of risk.

During the fiscal year, we deployed $3 billion in our new Relationship Investment program, which seeks to add value by taking significant exposures in listed companies to capture incremental return from corporate recapitalization and restructuring. Some of the largest holdings are shown in the table below. This is a higher risk, higher return program that complements our clients' other equity exposures.

BALANCED FUNDS – EQUITIES ASSET MIX
(As at March 31, 2010)



BALANCED FUNDS – PUBLIC EQUITY SECTOR EXPOSURE
(As at March 31, 2010)



TOP FIVE PUBLIC EQUITY HOLDINGS

As at March 31, 2010

COMPANY	SECTOR	LOCATION
TNT	Industrials	Netherlands
Viterra	Materials	Canada
Precision Drilling	Energy	Canada
Fairfax Financial	Financials	Canada
Canadian Pacific Railway	Industrials	Canada

Performance

The balanced fund composite equity portfolio returned 30.8%, outperforming the composite equity benchmark by 2.9%. The Relationship Investment program had a very successful first year, with strong investment gains in Precision Drilling, TNT and the Canadian Western Bank. The Absolute Return portfolios produced modest value-added after a difficult start.

Our Core Indexing style primarily uses equity index swaps to gain low-cost and highly liquid exposure to Canadian and world equity indices. It should earn approximately benchmark return. However, the portfolio historically took significant credit risk in the fixed income positions backing the equity swaps. That worked well for a number of years, but backfired in the 2008 crisis. We expected a rebound this year and, in fact, did recapture previous losses in value-added. We then eliminated this source of risk as we viewed it to be inappropriate for an equity portfolio.

AIMCo inherited a large number of external equity managers with relatively small and high-cost mandates. Last year, our external managers as a group underperformed their benchmarks, as did the median active manager in all global markets, according to the Brockhouse Coopers database.

After careful review of multi-year records, we parted company with managers that had weak security selection skill and/or high fees and would likely continue to detract value over the next business cycle.

PRIVATE EQUITY

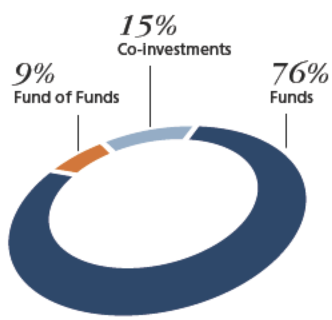
Portfolio Strategy

AIMCo inherited a globally diversified Private Equity portfolio made up of approximately 9% fund-of-funds, 15% co-investments and 76% funds. The funds are illiquid and typically have a life of approximately 10 years. The co-investments are managed by the underlying fund sponsors.

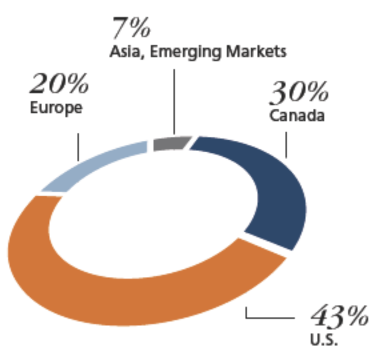
The rationale for this asset class is better risk-adjusted returns than listed markets from "transformational" activities (i.e., helping companies deal with organizational and capital structure problems outside of the limelight of listed markets) and a better alignment between management and shareholders. The standard external fund manager cost structure of 2% of committed assets and 20% of return (the "2 and 20" fee structure) implies only the best of these structures will accomplish their intended goal for investors.

To overcome this severe drag on net return and the lack of flexibility that a fund structure lasting 10 years brings, we are building an investment management team to focus on a more opportunistic strategy involving direct transactions complemented with fund investments in countries and markets we cannot efficiently access directly.

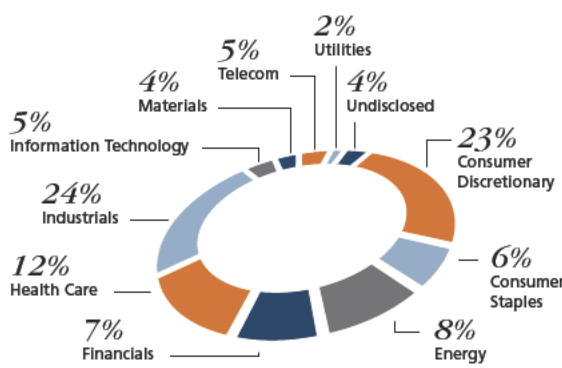
BALANCED FUNDS – PRIVATE EQUITY STRUCTURE
(As at March 31, 2010)



BALANCED FUNDS – PRIVATE EQUITY GEOGRAPHIC EXPOSURE
(As at March 31, 2010)



BALANCED FUNDS – PRIVATE EQUITY SECTOR EXPOSURE
(As at March 31, 2010)



Performance

During 2009, there was some relief on valuations and the private equity industry feels that the worst is probably behind them.

In the 2010 fiscal year, Private Equity for our balanced fund composite returned -3.7%, underperforming its client benchmark by 14.5%, in part because of currency movements.

Most of the legacy private equity commitments were made just prior to 2008, and reflect the pre-crisis industry pattern of paying too much and taking on too much leverage. Approximately 30% of this portfolio is not expected to achieve listed equity returns after expenses. The remainder should do reasonably well against listed equities, starting from current reduced valuations.

INFLATION SENSITIVE

BALANCED FUNDS – INFLATION SENSITIVE PERFORMANCE

As at March 31, 2010

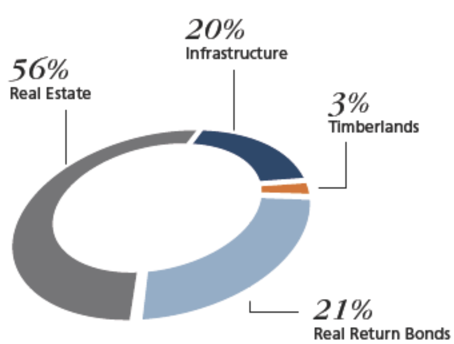
BALANCED FUNDS – INFLATION SENSITIVE	MARKET VALUE ($ MILLIONS)	ANNUALIZED RETURNS (%) 1 YEAR	4 YEAR	CALENDAR YEAR RETURNS (%) 2006	2007	2008	2009
INFLATION SENSITIVE	$ 7,585	-2.9	8.1	14.5	16.3	5.0	-2.7
Inflation Sensitive Benchmark		4.0	7.2	11.5	11.5	3.0	3.6
REAL RETURN BONDS	1,599	9.3	3.8	-2.9	1.7	1.0	13.1
DEX Real Return Bonds Index		10.5	3.9	-2.9	1.6	0.4	14.5
REAL ESTATE	4,283	-7.7	8.9	21.1	20.5	5.5	-8.5
ICREIM/IPD Large Institutional Property Index		1.3	8.7	18.6	16.0	3.1	-0.1
INFRASTRUCTURE	1,488	1.5	12.2	20.5	13.4	12.8	3.1
Infrastructure Benchmark[1]		7.7	7.7	7.4	8.4	8.0	7.1
TIMBERLANDS	215	-7.0	9.0	4.3	59.0	-8.7	-7.2
Timberlands Benchmark[2]		5.8	5.7	5.4	6.4	6.0	5.2

[1] *The Infrastructure Benchmark composite comprises the DEX Real Return Bond, 50% DEX Real Return Bond plus 50% MSCI ACWI and CPI plus 6% indices.*

[2] *The Timberlands Benchmark composite comprises the DEX Real Return Bond and CPI plus 4% indices.*

BALANCED FUNDS – INFLATION SENSITIVE ASSET EXPOSURE

(As at March 31, 2010)



REAL RETURN BONDS

Our CPI-linked real return bonds are mostly buy-and-hold Government of Canada issues. Until recently these assets were managed internally as segregated holdings held by our clients to reduce the risk of inflation-index liabilities. On March 31, 2010, we amalgamated all real return bond holdings into one pool to reduce management and trading costs and reduce operational risk.

The balanced fund composite exposure to real return bonds returned 9.3%, underperforming the DEX Real Return Bond Index benchmark by 1.2%.

REAL ESTATE

Portfolio Strategy

Real estate is expected to produce long run returns between those of stocks and bonds: capital values are more stock-like and volatile, while income returns tend to stay in a stable band of 5% to 7% per annum.

About 83% of our portfolio consists of Canadian assets that fit this description: direct investments in high quality office, retail, industrial and multi-unit residential properties in Canada's major centres with co-investment partners.

The remaining 17% is in opportunistic funds targeting niche markets and in development opportunities that will, over time, result in new products for our core portfolio. We have a small amount of country diversification through exposure to a diversified Mexican fund, a European retail fund and a U.S. mezzanine debt fund.

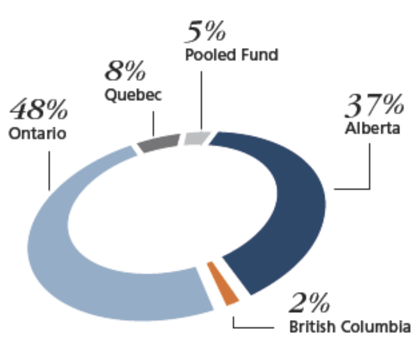
TOP FIVE REAL ESTATE INVESTMENTS

As at March 31, 2010

PROPERTY	SECTOR	LOCATION	TOTAL COMPLEX SIZE (MILLION SQ. FT.)	OWNERSHIP (%)
Place Ville Marie	Office	Montreal, QC	2.77	50
Square One	Retail	Mississauga, ON	1.86	50
Scarborough Town Centre	Retail	Scarborough, ON	1.59	50
Yorkdale Shopping Centre	Retail	Toronto, ON	1.52	50
Bow Valley Square	Office	Calgary, AB	1.47	50

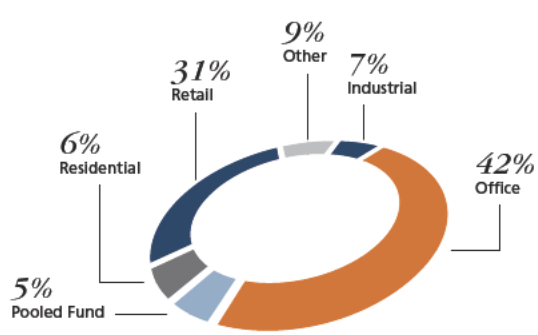
BALANCED FUNDS – REAL ESTATE GEOGRAPHIC EXPOSURE

(As at March 31, 2010)



BALANCED FUNDS – REAL ESTATE SECTOR EXPOSURE

(As at March 31, 2010)



Performance

After a decade of strong absolute and relative performance, our real estate portfolio returned -7.7%, 9.0% less than the Large Institutional Property Index benchmark compiled by the Institute of Canadian Real Estate Investment Managers and Investment Property Databank Limited (IPD). The index is a reasonable benchmark, but the mix of independent and in-house valuations can at times create valuation inconsistencies that will average out over longer periods.

The portfolio suffered from an overweight to Alberta office space and an underweight to the relatively better returning retail sector. The income return from the portfolio was consistent with previous years' results and the cash flow generated by the portfolio exceeded budget.

INFRASTRUCTURE

Portfolio Strategy

Infrastructure investments are intended to match our clients' need for inflation-adjusted income and long duration that arises from their inflation-indexed liabilities. AIMCo's infrastructure portfolio primarily consists of diversified long-term equity positions in OECD-based assets that provide essential public services. These assets are generally regulated or have long-term contracted revenues.

In the 2010 fiscal year, we made a direct investment in the wind power facilities and parent company of First Wind, a large renewable power developer and operator in the United States. We also made an additional investment in Puget Sound Energy, Washington State's largest power and gas utility. By the end of the year, the portfolio comprised six principal investments and 13 fund investments, with a total market value of nearly $1.5 billion.

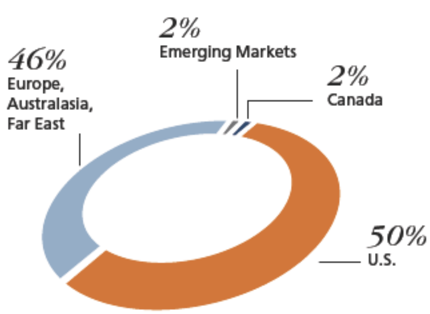
TOP FIVE INFRASTRUCTURE INVESTMENTS

As at March 31, 2010

COMPANY	SECTOR	LOCATION
Puget Sound Energy	Regulated Utilities	U.S.
Compañía Logística de Hidrocarburos	Pipelines	Spain
Thames Water	Regulated Utilities	U.K.
First Wind	Power Generation and Distribution	U.S.
Kinder Morgan	Pipelines	U.S.

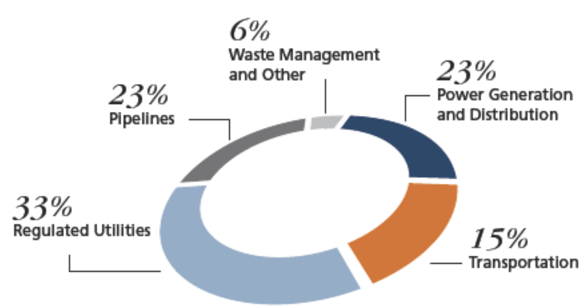
BALANCED FUNDS – INFRASTRUCTURE GEOGRAPHIC EXPOSURE

(As at March 31, 2010)



BALANCED FUNDS – INFRASTRUCTURE SECTOR EXPOSURE

(As at March 31, 2010)



Performance

The 2010 fiscal year was a challenging year primarily due to the negative macroeconomic climate and capital constraints in both debt and equity markets, with weak demand for essential services underpinning the performance of a portion of the infrastructure portfolio. Airport and toll road traffic, waste management volumes and container freight/cargo activity were reduced, with activity stabilizing in recent months.

The balanced fund composite infrastructure portfolio achieved a 1.5% return for the year ended March 31, 2010, underperforming its benchmark by 6.2%. However, the portfolio's four-year annualized return was 12.2%, outperforming the benchmark by 4.5%.

TIMBERLANDS

Portfolio Strategy

At the end of the 2010 fiscal year, the portfolio consisted of one principal investment and one externally managed fund investment, bringing total commitments plus investments to approximately $230 million, and total market value to approximately $215 million. Like infrastructure, timberlands investments are inflation sensitive and long-duration.

Performance

In the 2010 fiscal year, the balanced fund composite timberlands portfolio generated a -7.0% return, underperforming its benchmark return by 12.8%. Over four years, the portfolio has generated an average annualized return of 9.0%, outperforming its benchmark by 3.3%.

Most of the timberland underperformance reflects the challenging housing and investment environment, and a rise in valuation discount rates.

OVERLAYS

Overlays allow AIMCo to quickly and efficiently modify risk, rebalance between various AIMCo products and implement policy asset allocation changes using derivatives. Performance is measured as the deviation from benchmark return not captured in other categories.

DERIVATIVES

We use derivatives to hedge risks, efficiently change asset mix or to exploit short- and medium-term market opportunities. We only use instruments with risks that can be measured and are well understood.

Derivative Instruments

Derivatives used at AIMCo include:

- ***Bond and equity futures.*** These standardized exchange-listed contracts enable us to quickly create and dispose of broad market exposures at far less cost and reduced risk of market disruption.

- ***Forwards.*** These over-the-counter contracts, negotiated by two parties, are used to hedge foreign currency and interest rate risk.

- ***Swaps.*** These over-the-counter contracts involve the exchange of two streams of cash flows and are used to obtain or change portfolio exposures without having to directly sell or purchase the underlying asset.

- ***Options.*** These over-the-counter equity option contracts offer the right, but not the obligation, to buy or sell shares at a set price during a set period. They enable us to adjust exposures on certain securities without directly purchasing or selling the underlying security.

The following were the most significant derivative programs in the 2010 fiscal year:

1. Equity index total return swaps (Index Swaps)

The portion of the public equity asset class that is allocated to the Core Indexing style uses equity index swaps to gain exposure to Canadian and world equity indices. The benefits of using index swaps, instead of the actual stock purchases, include immediate, efficient access to equity markets, and cost-effective implementation.

2. Currency forwards

Currency forward contracts are utilized to manage AIMCo's currency allocation relative to the benchmark allocation. The portfolio managers for each asset class implement their desired active currency positioning relative to the benchmark, within policy limits. To a smaller extent, currency forwards are utilized to take tactical currency positions.

TOTAL AIMCo – DERIVATIVE POSITIONS

As at March 31, 2010

DERIVATIVES EXPOSURE	MARKET VALUE[1] ($ MILLIONS)	NOTIONAL VALUE[2] ($ MILLIONS)
FUTURE/FORWARDS	**160**	**8,133**
Bond future	0	16
Index future	21	-597
Currency FX forward	139	8,714
SWAPS	**177**	**15,047**
Swap – Asset	-49	2,150
Swap – Credit default	-50	-8
Swap – Cross currency	82	1,199
Swap – Index	194	11,706
OPTIONS	**122**	**-1,722**
Equity put option	-7	-1,675
Fixed income call option	0	-558
Fixed income put option	0	-359
Option – Generic	1	631
Right	0	4
Warrant	128	235
TOTAL DERIVATIVES	**459**	**21,458**

[1] *Market value: the outstanding pay or receive obligation of the derivative contract due to changes in market levels.*

[2] *Notional: the net economic exposure of the derivative.*

CURRENCY

Generally, we do not hedge foreign currency exposure. The only exceptions are foreign real estate, infrastructure and timberlands, when the assets are largely outside Canada but have benchmarks that are Canadian-dollar hedged. From time to time, we also use hedging to opportunistically enhance return.

TOTAL AIMCo – CURRENCY EXPOSURE[1]

As at March 31, 2010

CURRENCY	AUSTRALIAN DOLLAR	CANADIAN DOLLAR	SWISS FRANC	U.S. DOLLAR	EURO	BRITISH POUND	JAPANESE YEN	OTHERS	AIMCo TOTAL
AIMCo actual (%)	0.5	77.8	0.7	11.8	4.3	2.0	1.5	1.4	**100.0**

[1] *An exposure to a pegged currency is categorized under the currency to which it is pegged. For example, exposure to the Danish krone (which is pegged to the euro) is included in the totals above under the euro.*

PROXY VOTING

AIMCo has an important obligation to thoughtfully vote all proxies that we receive for shares owned on behalf of our clients. We outsource proxy voting to a specialist advisory firm that is better able to monitor shareholder meeting schedules and issues, and provide accountability to us and our clients.

We use Glass Lewis & Co., a fully independent proxy voting service provider, but reserve the right to override them. We internally review proxy material for any Canadian company in which AIMCo clients own a large stake, and undertake independent research on important governance issues.

SECURITY LENDING

Continuing challenges in credit markets in 2009 dictated ongoing caution for AIMCo in our securities lending activities. We maintained the low tolerance for risk in lending we had adopted in 2008 to help with preservation of capital, the primary objective of this program. In doing so we forfeited the opportunity to earn strong levels of income that appeared to be available in the market for those lending against cash collateral. But, again in 2009, no losses were incurred in the program. Improvements in credit markets in the coming year may allow AIMCo to consider reaching for higher return through resumption of a moderately increased risk profile.

Achieving Efficiencies, Creating Value

SETTING OBJECTIVES

AIMCo is moving quickly through an ambitious three-year business plan to integrate industry best practices into everything we do. That means adding staff, upgrading our operational infrastructure, and investing in internal controls and IT systems.

To maintain focus on achieving organizational goals, AIMCo annually sets five key objectives in its business plan, which forms the objective list for the CEO. For fiscal 2010 those goals were:

1. ***Deliver $500 million value-added over market returns.***
2. ***Improve communications with clients and government.***
3. ***Improve operational risk at the AIMCo level.***
4. ***Find the best investment opportunities, break silos and promote collaboration across teams.***
5. ***Strengthen the senior management team.***

The top five objectives set for each senior management member support the objectives of the CEO, and this process cascades through the organization. At the end of 2009, 85% of staff felt that achieving their personal goals would directly contribute to the success of AIMCo.

STAFFING

In fiscal 2010, our staff grew by 22% from 170 to 208. AIMCo's ratio of employees-to-assets remains below that of our peer group. The chance to be part of building an entrepreneurial $71 billion investment firm is attracting top talent from around the globe. Last year, word-of-mouth was our best recruiter. This year, the AIMCo brand is well-established and we expect to have a staff of 250 by year end.

To realize its corporate objectives, AIMCo invests heavily in management training and personal development as part of succession planning. Senior management is working to design a comprehensive mentoring and talent management program.

IMPROVING EFFICIENCY

A firm of AIMCo's size can cost-effectively manage most assets internally if it can compete for good managers on competitive terms. AIMCo's predecessor tended to outsource management where possible because external management fees were subtracted from returns and therefore did not impact scarce budget resources.

A review of AIMCo's external managers concluded that about $8 billion of assets ($5 billion in equities and $3 billion in inflation sensitive assets) could be better managed internally. Our three-year plan builds that internal capacity. Where necessary, we have retained external managers with strong long-term track records, particularly in areas where highly specific industry or investment experience is required.

MANAGING COSTS

AIMCo operates on a cost-recovery basis. Internal operating and overhead costs are allocated based on assets under management and trading volumes. Direct costs are charged back to participants in an asset class or investment pool. Costs vary by asset class; they are lowest for internally managed listed assets, and highest for externally managed unlisted assets.

Actual operating expenses for the year ended March 31, 2010, were $229 million or 0.32% of invested assets versus a budget of $245 million. This is an increase from last year's $215 million or 0.31% of invested assets. The difference in costs is largely attributable to the increase in performance fees, reflecting generally strong internal active returns and pockets of value-added in external portfolios.

External investment costs unrelated to investment performance dropped by $10 million to $126 million. This reduction financed the entire upgrade of AIMCo's internal investment and operations departments and the transitory cost of IT system improvements.

As the table below shows, 74% of costs are still attributable to the 17% of assets that are externally managed. Last year's lopsided distribution of value-added supports our view that this may not be optimal. External costs are still dropping, and internally managed assets are rising. This is not a goal in itself: we expanded mandates for some external managers showing strong results.

TOTAL AIMCo – INTERNAL VS. EXTERNAL COSTS

For the year ended March 31, 2010

	% OF TOTAL		IN MILLIONS OF DOLLARS			AS % OF ASSETS MANAGED		
	INTERNAL	EXTERNAL	TOTAL	INTERNAL	EXTERNAL	TOTAL	INTERNAL	EXTERNAL
Assets under management	83%	17%	$ 70,728	$ 58,398	$ 12,330	100%	83%	17%
Value-added net of expenses	172%	-72%	748.0	1,290.2	-542.2	1.06%	2.21%	-4.40%
Investment costs	20%	80%	188.6	36.9	151.8	0.27%	0.06%	1.23%
Performance fees	28%	72%	35.5	9.8	25.7	0.05%	0.02%	0.21%
Other investment costs	18%	82%	153.1	27.1	126.1	0.22%	0.05%	1.02%
Non-investment costs	57%	43%	40.3	22.8	17.5	0.06%	0.04%	0.14%
Total costs	26%	74%	229.0	59.7	169.3	0.32%	0.10%	1.37%

CAPITAL SPENDING

AIMCo inherited many IT systems and applications that had been in need of upgrading or replacement for some time. We are also internalizing IT applications previously run on government platforms. Efforts to upgrade, replace and internalize these systems required $6.1 million of capital this year. We expect two more years of remedial capital spending involving about 10 IT systems ranging from portfolio and treasury management to investment risk and derivatives.

IMPROVING OPERATIONAL RISK MANAGEMENT

AIMCo actively manages operational risk through heavy investment in people, processes and systems. AIMCo's Operations and Risk Management divisions are expected to offer sober second thought to our investment groups. We therefore hold our operations staff to the industry's highest ethical and professional standards.

Our internal audit function monitors our operations and processes for quality and reliability. To show that our process and controls are well-defined and effective, we are working towards certification of internal controls under Section 5970 of the Canadian Institute of Chartered Accountants (CICA) Handbook.

AIMCo is evaluating the design of its internal controls for financial reporting, key processes and operations using the recognized frameworks of COSO (the integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission) and CobiT (the IT control framework of the IT Governance Institute).

INTERNAL AND EXTERNAL COMMUNICATIONS

AIMCo serves multiple clients with varying investment needs. We work closely with clients to make them aware of new or better ways to meet their specific funding objectives.

To this end, AIMCo provides quarterly updates and presentations to client boards. We assist with the development of our clients' investment policy statements and annual reports and provide them with updates on changing market circumstances, new investment products and changes within AIMCo. This fall, we will again host our annual AIMCo Investment Summit.

In the past two years, AIMCo has greatly improved the timeliness of our quarterly reporting, and worked diligently to respond to client requests for more return analysis and market insight. However, much more work remains. In the coming year, we will be putting additional emphasis on improving client communications and plan to make better use of our website to disseminate information.

Compensation

Our goal is to earn consistently better net returns than our clients could achieve by investing their policy asset mix in listed market index funds. This incremental return, measured net of all expenses, is AIMCo's "value-added" from active management.

AIMCo's total rewards package is designed to attract, retain and motivate top performers with the specialized and professional skills to produce persistent value-added.

AIMCo pays competitive base salaries plus annual and long-term incentives totalling about three to five cents for every dollar of value-added.

Yearly value-added objectives are established and approved by the Board for each asset class and for the total fund. Actual performance is measured against these objectives over a rolling four-year period.

Our base salaries and variable compensation plan targets are set at the median for the larger pension fund managers in Canada as determined by investment management compensation surveys conducted by consulting firms William H. Mercer and Towers Watson.

The annual incentive plan covers most employees. Payments are tied to asset class and total fund value-added, but include a component for achievement of annual individual objectives.

The Long-Term Incentive Plan (LTIP) was new to AIMCo in 2009. On January 1, 2009, 61 employees received grants maturing on December 31, 2012. Additional grants were made to 63 employees on January 1, 2010, and will mature at December 31, 2013. Grants have no value at inception. The value at maturity can range from zero to three times grant size, depending on value-added by asset class and for the total fund.

AIMCo's compensation strategy and structure is regularly reviewed by the Human Resources and Compensation Committee. In December 2008, an independent consultant hired by the Committee reviewed the compensation packages for key senior level positions and concluded that AIMCo's plans and practices are aligned with the comparator group.

Governance

AIMCo was established by the Province of Alberta to provide investment management services to designated pension funds and provincial public sector bodies and funds, with strong accountability for its investment decisions. AIMCo is committed to the highest standards of corporate governance. We believe that the policies, processes and institutions that form a robust corporate governance framework are integral to the achievement of our goal to be among the best institutional investment managers. The corporate governance framework employed by AIMCo is more than a set of static policies and procedures. It is a dynamic and continuously developing set of standards that is intended to facilitate a corporate culture of integrity and accountability in the pursuit of our goals.

BOARD OF DIRECTORS

The Board of Directors is responsible for overseeing management of the business and affairs of AIMCo. As part of this mandate, the Board sets the strategic direction of the Corporation and oversees the development and implementation of policies and procedures that govern the conduct of AIMCo's business.

In order to be appointed to the Board, a director must have demonstrated experience in investment management, finance, law or served as an executive or director with a large, publicly traded company. All directors are independent of management. Directors are required by statute to act honestly and in good faith with a view to the best interests of the Corporation and are required to exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances. The Board of Directors meets six times every year with meetings scheduled one year in advance. Additional meetings are arranged as required.

BOARD COMMITTEES

The Board of Directors has established four standing committees, which assist the Board in discharging its responsibilities:

- The Investment Committee oversees the investment activities and operations of AIMCo, which includes the receipt of investment- and risk-related reports from management and the review and approval of investment-related matters. The Investment Committee comprises all of the members of the Board of Directors with Virginia Holmes serving as Chair.

- The Audit Committee oversees financial reporting processes, development and implementation of internal controls, conduct of the audit process, compliance with applicable laws and regulations and implementation of AIMCo's whistleblower policy. The Audit Committee consists of Cathy Williams (Chair), David Bissett, George Gosbee and Daryl Katz.

- The Governance Committee oversees the policies, processes and procedures that comprise AIMCo's corporate governance framework, which includes overseeing the terms of reference for the Board of Directors and each Board committee and ensuring the effective operation of the Board of Directors. The Governance Committee consists of Andrea Rosen (Chair), David Bissett, George Gosbee, Frank Layton, Q.C.,[1] and Mac Van Wielingen.

- The Human Resources and Compensation Committee oversees the human resources strategy and policies of the Corporation, which includes ensuring that human resources policies are aligned with corporate objectives, reviewing employee compensation and providing oversight on labour relations strategy. The Human Resources and Compensation Committee consists of Clive Beddoe (Chair), Virginia Holmes, Frank Layton, Q.C., Andrea Rosen and Mac Van Wielingen.

At every meeting of the Board of Directors, the Board and all committees have *in camera* sessions, which management is not permitted to attend.

[1] *Mr. Layton ceased to be a director effective April 24, 2010.*

BOARD ATTENDANCE AND REMUNERATION

The Board held six regular meetings in fiscal 2010, three in Edmonton, two in Calgary and one in Toronto. The Investment Committee held eight meetings, three of which were conducted by teleconference. The table below shows each director's attendance relative to the number of meetings held by the Board and committees of which he or she was a member.

BOARD ATTENDANCE AND REMUNERATION

As at March 31, 2010

	BOARD OF DIRECTORS	AUDIT COMMITTEE	HUMAN RESOURCES COMMITTEE	GOVERNANCE COMMITTEE	INVESTMENT COMMITTEE
A. CHARLES BAILLIE Chair of the Board	6/6	2[1]	3[1]	7/7[1]	8/8
GEORGE GOSBEE Vice-Chair of the Board Chair, Audit Committee *(to September 2009)*	4/6	5/6	–	3/7	6/8
CLIVE BEDDOE Chair, Human Resources Committee	5/6	–	5/6	–	7/8
ROBERT BHATIA[2] Deputy Minister *(to July 2009)*	2/2	2/2	–	–	1/1
DAVID BISSETT	6/6	6/6	–	7/7	7/8
VIRGINIA HOLMES[3] Chair, Investment Committee	6/6	–	6/6	1[3]	8/8
DARYL KATZ	5/6	5/6	–	–	7/8
FRANK P. LAYTON, Q.C.	6/6	–	5/6	6/7	8/8
ANDREA ROSEN Chair, Governance Committee	6/6	–	6/6	7/7	6/8
MAC VAN WIELINGEN	6/6	–	5/6	6/7	7/8
TIM WILES[4] Deputy Minister *(from July 2009)*	2/2	3/3	–	–	3/4
CATHY WILLIAMS[5] Chair, Audit Committee *(from September 2009)*	3/3	3/3	–	1[6]	5/6

[1] *Charles Baillie, as Chair of the AIMCo Board of Directors, is not a regular member of the Audit, Human Resources and Governance Committees; however, he attends committee meetings regularly as a guest. The Human Resources and Audit Committee meetings are held concurrently, and Mr. Baillie alternates his attendance between the two.*

[2] *Robert Bhatia served as a director on the AIMCo Board of Directors by virtue of his position as Deputy Minister of Finance and Enterprise. Mr. Bhatia ceased to be a director in July of 2009 upon the completion of his term as Deputy Minister.*

[3] *Virginia Holmes is not a regular member of the Governance Committee; Ms. Holmes attended a special committee meeting as a guest.*

[4] *Tim Wiles served as a director on the AIMCo Board of Directors by virtue of his position as Deputy Minister of Finance and Enterprise, effective July of 2009. Mr. Wiles ceased to be a director on November 26, 2009.*

[5] *Cathy Williams was appointed to the AIMCo Board of Directors on July 21, 2009. Ms. Williams attended her first meeting on September 25, 2009.*

[6] *Ms. Williams is not a regular member of the Governance Committee; she attended a committee meeting as a guest at the request of Mr. Baillie.*

BOARD REMUNERATION

Directors' compensation is prescribed by regulation. Board members receive annual retainers and meeting fees as described in the table below. The Board Chair, Vice-Chair and committee Chairs receive additional retainers to recognize the incremental responsibility associated with those positions. Directors have not been paid separate meeting fees for Investment Committee meetings held the same day as regular Board meetings. Deputy Ministers Tim Wiles and Robert Bhatia were not eligible for directors' fees.

BOARD FEES

As at March 31, 2010

	BOARD OF DIRECTORS	AUDIT COMMITTEE	HUMAN RESOURCES COMMITTEE	GOVERNANCE COMMITTEE	INVESTMENT COMMITTEE
Base retainer *(Annual)*	$ 20,000	–	–	–	–
Chair retainer *(Annual)*	50,000	$ 10,000	$ 7,500	$ 7,500	$ 7,500
Vice-Chair retainer *(Annual)*	10,000	–	–	–	–
Meeting fees	1,000	1,000	1,000	1,000	1,000

The following table shows payments made to directors based on individual attendance and prescribed fees as described in the table above.

DIRECTOR REMUNERATION

As at March 31, 2010

	BASE RETAINER (ANNUAL)	CHAIR RETAINER (ANNUAL)	VICE-CHAIR (ANNUAL)	COMMITTEE CHAIR RETAINER (ANNUAL)	MEETING FEES ($1,000 PER MEETING)[1]	TRAVEL REMUNERATION	TOTALS
A. Charles Baillie, Chair	$ 20,000	$ 50,000	–	–	$ 26,000	$ 12,000	$ 108,000
George Gosbee, Vice-Chair	20,000	–	$ 10,000	$ 3,750[2]	21,000	1,000	55,750
Clive Beddoe	20,000	–	–	7,500	18,000	2,000	47,500
David Bissett	20,000	–	–	–	22,000	2,000	44,000
Virginia Holmes	20,000	–	–	5,625[3]	21,000	15,000	61,625
Daryl Katz	20,000	–	–	–	14,000	–	34,000
Frank P. Layton, Q.C.	20,000	–	–	–	27,000	1,000	48,000
Andrea Rosen	20,000	–	–	7,500	28,000	10,000	65,500
Mac Van Wielingen	20,000	–	–	–	22,000	2,000	44,000
Cathy Williams	15,000[4]	–	–	3,750[5]	15,000	1,000	34,750

[1] *Total meeting fees include remuneration paid for ad hoc meetings held outside of regularly scheduled Board meetings.*

[2] *George Gosbee was Acting Chair of the Audit Committee until the appointment of Cathy Williams in September of 2009. Accordingly, remuneration for the Audit Committee Chair was paid to Mr. Gosbee for the first two quarters of the fiscal year, for a total committee Chair remuneration of $3,750.*

[3] *Virginia Holmes received remuneration as Chair of the Investment Committee for the last three quarters of the fiscal year, for a total committee Chair remuneration of $5,625. Additionally, Ms. Holmes travels from the United Kingdom to attend AIMCo Board and committee meetings in person. To compensate for time spent travelling, Ms. Holmes was paid an additional $1,000 per meeting attended in person during this fiscal year.*

[4] *Cathy Williams became a director on the AIMCo Board of Directors in July of 2009 and received base remuneration of $15,000.*

[5] *Ms. Williams was subsequently appointed as Chair of the Audit Committee in September of 2009 and received remuneration as Chair for the final two quarters of the fiscal year, for a total committee Chair remuneration of $3,750.*

Director Orientation and Continuing Education

AIMCo provides new directors with a comprehensive orientation to the business and affairs of the Corporation. This orientation is designed to inform new directors of their responsibilities as directors and provide them with the background information required to make informed decisions and judgments respecting the issues that face the Board. New directors are provided with comprehensive written materials and access to management for the purpose of acquiring the knowledge required to discharge their responsibilities. Continuing director education is integral to achieving and maintaining a high standard of corporate governance. Meetings of the Board of Directors include educational opportunities for directors to enhance their knowledge of the Corporation and industry.

Standards of Conduct for Directors

The Board of Directors has adopted various policies that outline acceptable standards of conduct for directors, including the Director Trading Policies and the Director Conflict of Interest Policy.

Code of Conduct

AIMCo has adopted a Code of Conduct and Ethical Standards, which contains principles and guidelines for ethical behaviour at AIMCo. The Code applies to all AIMCo employees, including executive officers. Compliance with the Code is a condition of employment with AIMCo. AIMCo employees receive annual training regarding their obligations under the Code. Additionally, AIMCo has established a whistleblower policy and reporting service, which provides all employees with the ability to confidentially report any failure to comply with the Code.

Board of Directors

From left to right as pictured above:

A. CHARLES BAILLIE, O.C.
A. Charles Baillie, O.C., Chair, is the former Chief Executive Officer and Chairman of the Board of Toronto-Dominion Bank. Charles serves on the boards of TELUS Corp., Canadian National Railway Co. and George Weston Ltd. Charles was appointed an Officer of the Order of Canada in 2006, inducted into the Canadian Business Hall of Fame in 2007 and named Canadian International CEO of the Year in 2000. Charles holds an MBA from Harvard Business School.

GEORGE F. J. GOSBEE
George F. J. Gosbee, Vice-Chair, is President and CEO of G Capital Inc. George serves on the board of Chrysler Group LLC. In 2004, George was named by the *Globe and Mail's Report on Business* as one of Canada's Top 40 Under 40. George holds a BComm from the University of Calgary.

CLIVE BEDDOE
Clive Beddoe is a founding shareholder, Executive Chairman of the Board of Directors and former Chief Executive Officer of WestJet. In 2004, Clive received the prestigious Canadian Business Leader Award from the University of Alberta, Faculty of Business and the Business Advisory Council.

DAVID A. BISSETT
David A. Bissett is the founder of Bissett Investment Management, which is now a division of Franklin Templeton Investments. David has an LLB from Dalhousie University and is a CFA charterholder.

VIRGINIA HOLMES
Virginia Holmes is a former Chief Executive Officer of AXA Investment Managers Ltd. in London, United Kingdom. Virginia currently serves on the boards of JPMorgan Claverhouse Investment Trust plc, Standard Life Investment Ltd. and Universities Superannuation Scheme. Virginia has a BA from Durham University.

DARYL A. KATZ
Daryl A. Katz is the founder, Chief Executive Officer and Executive Chairman of Katz Group. Daryl is also a member of the Canadian Council of Chief Executives. Daryl has an LLB from the University of Alberta.

FRANK P. LAYTON
Frank P. Layton, Q.C., is advisory counsel whose preferred area of practice includes corporate governance. Frank has an LLB from the University of Alberta, and was appointed Queen's Counsel in 1988. Frank ceased to be a director effective April 24, 2010.

ANDREA S. ROSEN
Andrea S. Rosen is the former Vice-Chair for TD Bank Financial Group and President of TD Canada Trust. Andrea serves on the boards of Emera Inc. and Hiscox Ltd. Andrea has an LLB from the Osgoode Hall Law School and an MBA from the Schulich School of Business, York University.

MAC H. VAN WIELINGEN
Mac H. Van Wielingen is a founder, Co-Chairman and Director of ARC Financial Corp. and a founder and Chairman of ARC Energy Trust. Mac has an HBA in Honours Business from the Richard Ivey School of Business and has studied post-graduate economics at Harvard University.

CATHY L. WILLIAMS
Cathy L. Williams is the former CFO of Shell Canada Ltd. Cathy is on the boards of Enbridge Inc. and Tim Hortons Inc. Cathy is Chair of the Board of Governors of Mount Royal University and on the Advisory Board of Queen's School of Business. Cathy has an LLB from the University of Western Ontario and an MBA from Queen's University.

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 generally accepted accounting principles and within the framework of significant accounting policies summarized in the notes to the Financial Statements. The financial information presented throughout this annual report is consistent with the Financial Statements.

Management is responsible for the integrity and fairness of the Financial Statements and the financial information contained in this annual report. 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 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 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 and accompanying financial information in this annual report 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 organization.

The Office of the Auditor General has examined the Financial Statements and prepared an Auditor's Report of its findings, which is presented in this annual report.

LEO DE BEVER
Chief Executive Officer

WARREN CABRAL, CA
Chief Financial Officer

Auditor's Report

TO THE SHAREHOLDER OF ALBERTA INVESTMENT MANAGEMENT CORPORATION

I have audited the balance sheets of the Alberta Investment Management Corporation as at March 31, 2010 and 2009 and the statements of operations and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform my audits to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2010 and 2009 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Edmonton, Alberta
July 15, 2010

ORIGINAL SIGNED BY MERWAN N. SAHER, CA
Auditor General

Balance Sheets

As at March 31 ($ thousands)	**2010**	2009
ASSETS		
Current assets		
Cash *(Note 4)*	**$ 26,427**	$ 23,561
Accounts receivable	**12,196**	12,324
Prepaid expenses	**1,729**	1,253
	40,352	37,138
Capital assets *(Note 5)*	**26,748**	7,254
	$ 67,100	$ 44,392
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Accounts payable and accrued liabilities *(Note 6)*	**$ 21,788**	$ 8,741
Accrued vacation and benefits	**1,756**	1,868
Advance from the Province of Alberta *(Note 7)*	**28,249**	28,249
	51,793	38,858
Long-term employee benefits *(Note 8)*	**4,894**	925
Deferred lease inducement *(Note 16)*	**6,766**	962
	63,453	40,745
Shareholder's equity *(Note 9)*		
Contributed surplus	**3,647**	3,647
	3,647	3,647
	$ 67,100	$ 44,392

Commitments *(Note 16)*

The accompanying notes are part of these financial statements.

Approved by the Board:

A. CHARLES BAILLIE
Board Chair

CATHY WILLIAMS
Audit Committee Chair

Statements of Operations

For the years ended March 31 ($ thousands)	2010 BUDGET (NOTE 17)	**2010 ACTUAL**	2009 ACTUAL
REVENUE			
External investment management fees *(Note 10)*	$ 176,181	**$ 169,277**	$ 174,059
Service revenue	69,279	**59,406**	39,771
Interest income	–	**270**	822
	245,460	**228,953**	214,652
EXPENSES			
External investment management fees *(Note 10)*	176,181	**169,277**	174,059
Salaries, wages and benefits	43,795	**38,647**	26,231
Contract and professional services	8,236	**11,094**	6,514
Administration	7,173	**4,713**	3,485
Amortization	3,426	**1,285**	1,559
Data services and subscriptions	2,477	**1,637**	1,175
Rent	2,822	**2,233**	1,083
Interest	1,350	**67**	546
	245,460	**228,953**	214,652
Net income	$ –	**$ –**	$ –

The accompanying notes are part of these financial statements.

Statements of Cash Flows

For the years ended March 31 ($ thousands)	**2010**	2009
OPERATING ACTIVITIES		
Net income	**$ –**	$ –
Items not affecting cash		
Amortization	**1,285**	1,559
	1,285	1,559
Changes in operating accounts *(Note 11)*	**16,556**	(3,802)
	17,841	(2,243)
INVESTING ACTIVITIES		
Acquisition of capital assets	**(20,779)**	(2,279)
FINANCING ACTIVITIES		
Advance from the Province of Alberta	**–**	15,000
Deferred lease inducement	**5,804**	185
	5,804	15,185
Increase in cash for the year	**2,866**	10,663
Cash at beginning of year	**23,561**	12,898
Cash at end of year	**$ 26,427**	$ 23,561
SUPPLEMENTARY INFORMATION		
Interest paid during the period	**$ 67**	$ 546

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

For the years ended March 31, 2010 and 2009 ($ thousands)

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 Corporations 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 income and other taxes.

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 the Ministry of Finance and Enterprise for which the Minister of Finance and Enterprise is responsible. The Corporation was formed January 1, 2008. The Corporation has assets under administration of $70.7 billion, see Note 12.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP) and include the following significant accounting policies:

A) Changes in Accounting Policies

Recent Accounting Pronouncements

The Canadian Accounting Standards Board confirmed that the changeover date for adoption of International Financial Reporting Standards (IFRS) for publicly accountable enterprises will be January 1, 2011. In October 2009, the Public Sector Accounting Board amended the requirements for government organizations to adopt IFRS and finalized those amendments in April 2010. The amendments require government organizations not classified as a Government Business Enterprise to adopt CICA Public Sector Accounting Standards. A Government Business Enterprise has self-sustaining commercial-type operations. The Corporation is not classified by the Government of Alberta's Treasury Board as a Government Business Enterprise and therefore is required to adopt CICA Public Sector Accounting Standards. The Corporation has determined that adopting CICA Public Sector Accounting Standards will not have a significant impact on its financial statements.

B) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. Significant estimates include external investment management fees and long-term employee benefit accruals.

C) Employment Benefits

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

On January 1, 2010, the Corporation established a new Supplementary Retirement Plan (SRP) for those individuals required to withdraw from the existing Supplementary Retirement Plan for Public Service Managers. The supplemental plan is a defined benefit plan and the costs will be actuarially determined every three years. Actuarial gains and losses arising from the valuations are recognized in expenses as they arise.

The Corporation provides a retention incentive to employees through a Long-Term Incentive Plan (LTIP) and a Restricted Fund Unit Plan (RFU). The plans began January 1, 2009.

D) Revenue Recognition

All service revenues are reported on the accrual basis of accounting.

Service revenue is recognized on the recovery of direct costs related to management of government funds, pension plans and other investments. The service revenue is accrued and billed on a monthly basis as the related costs are incurred and investment management services are provided.

The Corporation charges each government fund, pension plan and pooled fund with its respective share of the Corporation's operating costs. The charges are based on the total expenses incurred and are allocated based on assets under management and transaction volume.

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 expenses.

E) Capital Assets

Capital assets are recorded at cost less accumulated amortization. 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. Amortization is calculated on a straight-line basis over the following periods:

Computer systems hardware and software	5 years
Furniture and equipment	10 years
Leasehold improvements	Term of the lease

F) Financial Instruments

The Corporation has made the following classification of its financial assets and liabilities:

- Cash is classified as "Held for Trading" and is measured at fair value.
- Accounts receivable are classified as "Loans and Receivables" and are measured at fair value, which approximates carrying value due to their short term to maturity.
- Accounts payable and accrued liabilities, accrued vacation and benefits, and advance from the Province of Alberta are classified as "Other Financial Liabilities" and are measured at fair value, which approximates carrying value due to their short term to maturity.

G) Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

4. CASH

As at March 31 ($ thousands)	**2010**	2009
Deposit in Consolidated Cash Investment Trust Fund	**$ 25,933**	$ 23,382
Cash in U.S. bank account	**494**	179
	$ 26,427	$ 23,561

The Consolidated Cash Investment Trust Fund is managed with the objective of providing competitive interest income to depositors while maintaining appropriate security and liquidity of depositors' capital. The portfolio comprises high quality short-term and mid-term fixed income securities with a maximum term-to-maturity of three years. As at March 31, 2010, securities held by the Fund have a time-weighted return of 1.0% per annum (2009 – 3.0% per annum).

5. CAPITAL ASSETS

As at March 31 ($ thousands)			**2010**	2009
	COST	**ACCUMULATED AMORTIZATION**	**NET BOOK VALUE**	NET BOOK VALUE
Computer hardware and software	**$ 12,983**	**$ 9,165**	**$ 3,818**	$ 3,023
Computer hardware and software under development	**8,315**	**–**	**8,315**	3,537
Leasehold improvements	**10,975**	**99**	**10,876**	–
Leasehold improvements under construction	**–**	**–**	**–**	694
Equipment	**3,772**	**33**	**3,739**	–
	$ 36,045	**$ 9,297**	**$ 26,748**	$ 7,254

Amortization expense charged for the year ended March 31, 2010 was $1,285 (2009 – $1,559).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at March 31 ($ thousands)	**2010**	2009
Annual incentive plan[1]	**$ 9,827**	$ 2,331
Retiring allowance and employment agreement payout[2]	**–**	2,167
Other accounts payable and accrued liabilities	**11,961**	4,243
	$ 21,788	$ 8,741

[1] *Variable pay per the Corporation's Annual Incentive Plan is accrued based on goal attainment for the calendar year end and paid in the subsequent year.*

[2] *In 2009, the Corporation's Chief Investment Officer announced his retirement on March 31, 2009, and was eligible for a retiring allowance of $1,207 and an employment agreement payout of $960.*

7. ADVANCE FROM THE PROVINCE OF ALBERTA

Pursuant to Order in Council 542/2007 and in accordance with a loan advance agreement, the Corporation received advances on both January 1, 2008 and April 1, 2008, from the Province of Alberta to fund operating and capital cost requirements calculated as:

As at March 31 ($ thousands)		2010		2009
Beginning of year	**$**	**28,249**	$	13,249
Advance increases during the year		**–**		15,000
	$	**28,249**	$	28,249

The advance is a revolving demand credit facility up to a maximum of $30 million. 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. At March 31, 2010, the Corporation is in compliance with the terms of its revolving demand facility.

8. LONG-TERM EMPLOYEE BENEFITS

Pension and Disability Plans

The Corporation participates in two multi-employer public sector pension plans – the Management Employees Pension Plan and the Public Service Pension Plan, and two multi-employer Long-Term Disability Income Continuance plans. 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 is equivalent to the annual contributions of $2,360 for the year ended March 31, 2010 (2009 – $2,189).

At December 31, 2009, the Management Employees Pension Plan reported a deficiency of $483,199 (2008 – $568,574) and the Public Service Pension Plan reported a deficiency of $1,729,196 (2008 – $1,187,538).

Other Long-Term Employee Benefits

As at March 31 ($ thousands)		2010		2009
Long-term incentive plan[1]	**$**	**2,009**	$	278
Restricted fund unit incentive plan[2]		**402**		81
Unfunded net retirement obligation from SRP plan[3]		**2,483**		566
	$	**4,894**	$	925

[1] The Corporation provides retention incentives to employees through an LTIP and RFU plan. The LTIP program promises a deferred reward for generating superior average net incremental return from active management ("value-added") over a four-year period. Senior management and other key professionals of the Corporation receive LTIP "grants" on January 1 of each year that vary in size with their level of responsibility and quality of past performance. The 2009 LTIP grants will vest on December 31, 2012; the 2010 grants will vest one year later. In the majority of situations, employees must be actively working for the Corporation on the date of payment. LTIP grants have an initial cash value of zero. When they mature after four years, they will pay between zero and three times the size of the grant. The maximum amount will be paid if the average four-year value-added exceeds the average "stretch target" annually set by the Board. For 2009 and 2010, the stretch targets are $500 million. Total LTIP grants for 2009 were $4,453, so the maximum payable in 2013 will be 3 x $4,453 = $13,359. Assuming that the average 2009–2012 stretch target is $500 million, this would represent about 2.6 cents for every dollar of average value-added over four years. Similarly, for 2010, LTIP grants totalled $5,222, so the maximum payable in 2014 will be 3 x $5,222 = $15,666. The annual accrued LTIP liability at any point in time reflects the potential value of all grants, based on average active performance from the date they were awarded.

[2] The RFU program is a supplementary compensation plan based on a notional investment in the total fund, where the value fluctuates based on the total rate of return. Unlike the LTIP grants, rates of return relative to benchmark do not impact the value of the RFU(s). RFU(s) have time horizons of one to three years for vesting provisions. Employees must be on staff as of the payment date in order to be eligible to receive any vested payments. The total RFU grant for 2010 is $nil (2009 – $630). Total RFU eligible payouts in 2010 is $152 (2009 – nil). RFU is accrued over the one- to three-year vesting period.

[3] On January 1, 2010, the Corporation established a new SRP for those individuals required to withdraw from the existing Supplementary Retirement Plan for Public Service Managers. Based on an actuarial report dated January 1, 2010, the Corporation assumed an opening net obligation of $2,306 representing past service costs. This amount has been accrued and expensed, $1,740 in 2010 (2009 – $566). The amount accrued in 2009 was an estimate based on actuarial values from 2006. The Corporation will obtain an updated actuarial report every three years.

As at March 31 ($ thousands)	***2010***	*2009*
Accrued retirement obligation, beginning of year	***$ 566***	*$ –*
Past service costs arising from plan initiation	***1,740***	*566[1]*
Interest cost	***27***	*–*
Current service costs	***150***	*–*
Accrued retirement obligation, end of year	***$ 2,483***	*$ 566*

[1] Estimate for new SRP from the prior year. The actual obligation was determined by actuarial valuation as of January 1, 2010, at $2,306.

The following table presents key assumptions applicable to the new SRP set up as of January 1, 2010.

	2010
Annual discount rate	***4.5%***
Annual salary increase – base	***3.5%***
Annual salary increase – merit and promotion	***1.3%***
Expected long-term return on plan assets	***6.0%***
Inflation rate	***2.5%***

9. SHAREHOLDER'S EQUITY

A) Share Capital

As at March 31 ($ thousands)	**2010**	2009
Issued and authorized		
Province of Alberta – one share	**$ –**	$ –

B) Contributed Surplus

Contributed surplus of $3,647 (2009 – $3,647) represents equity received by the Department of Finance and Enterprise in exchange for the transfer of the net book value of the capital assets to the Corporation on January 1, 2008.

10. EXTERNAL INVESTMENT MANAGEMENT FEES

Revenue and expenses include external investment management fees of $169,277 (2009 – $174,059). This includes performance-based fees of $25,690 (2009 – $19,948) as well as investment, custodial, legal, audit and other services provided by external managers on behalf of the Corporation's clients. External investment management fees are based on a percentage of net assets under management at fair value and committed amounts in the case of private equity and private income pools. Fees charged by external managers include regular management fees and performance/incentive-based fees. These fees include significant estimates and measurement uncertainty. The estimates are based upon specified rates and commitment levels in the investment management agreements. Actual results could differ from estimates.

11. CHANGES IN OPERATING ACCOUNTS

For the year ended March 31 ($ thousands)	**2010**	2009
Decrease (increase) in accounts receivable	**$ 128**	$ (8,335)
Increase in prepaid expenses	**(476)**	(1,064)
Increase in accounts payable and accrued liabilities	**13,047**	4,463
(Decrease) increase in accrued vacation and benefits	**(112)**	209
Increase in long-term employee benefits	**3,969**	925
	$ 16,556	$ (3,802)

12. ASSETS UNDER ADMINISTRATION

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

At March 31, 2010, assets under its administration totalled approximately $70.7 billion (2009 – $68.9 billion), at market value. These assets were administered on behalf of the following clients of the Corporation.

($ thousands)	2010	2009
Pension plans	**$ 27,652,448**	$ 22,953,797
Ministry of Finance and Enterprise		
General revenue and entity investment funds[1]	**20,713,819**	23,023,127
Endowment funds (including the Alberta Heritage Savings Trust Fund)	**17,133,500**	16,397,866
Insurance-related funds	**2,186,113**	2,237,132
Other government ministry investment funds	**3,042,063**	4,293,262
	$ 70,727,943	$ 68,905,184

[1] *General Revenue Fund Policy loans have been excluded from 2009 and 2010 numbers, as they are managed by the Ministry of Finance and Enterprise.*

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.

Pursuant to Order in Council 23/2008, the Province of Alberta has made available a facility to access up to a maximum of $200 million for letters of credit for security purposes. This facility is utilized by the investment pools and at March 31, 2010, the balance outstanding against the facility is $10,210.

At March 31, 2010, investments administered by the Corporation were held in the following asset classes:

($ thousands)	2010	2009
FIXED INCOME		
Fixed income[1]	**$ 35,588,666**	$ 38,956,967
Private mortgages	**2,090,276**	1,967,976
INFLATION SENSITIVE		
Real estate	**4,650,792**	5,239,624
Infrastructure and timber	**1,729,492**	1,717,835
Real return bonds and commodities	**1,691,637**	1,197,983
EQUITIES		
Public equities and absolute return strategies	**23,411,199**	18,360,255
Private equity	**1,451,946**	1,358,713
OVERLAYS	**113,935**	105,831
	$ 70,727,943	$ 68,905,184

[1] *General Revenue Fund Policy loans have been excluded from 2009 and 2010 numbers, as they are managed by the Ministry of Finance and Enterprise.*

13. CAPITAL MANAGEMENT AND FINANCIAL INSTRUMENTS

A) Capital Management

The primary objective of capital management is to ensure the Corporation has sufficient capital to support its business and achieve its strategic goals. The Corporation operates on a cost-recovery basis and manages its capital to fund operating and capital costs to achieve its strategic plans and offset cost-recovery timing differences. The Corporation is an agent of the Crown whose debt is fully guaranteed by the Province of Alberta, which has provided the Corporation with an advance to fund operating and capital costs.

B) Financial Instruments

The Corporation's financial instruments are exposed to certain financial risks including credit risk, liquidity risk and market risk.

Credit Risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligation and arises principally from the Corporation's accounts receivable from clients. The Corporation's clients are government funds, pension plans and other entities, and as such, credit risk exposure is limited.

Liquidity Risk

Liquidity risk is the risk the Corporation will not be able to meet its financial obligations as they become due. The Corporation is an agent of the Crown and has established a credit facility with the Province of Alberta to fund operating and capital requirements.

Market Risk

Market risk is the risk that changes in market prices, such as foreign currency and interest rates, will affect the Corporation's earnings or the value of the financial instruments held. Foreign currency risk is the risk that the fair value of future cash flows for financial instruments will fluctuate relative to the Canadian dollar. Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation operates on a cost-recovery basis. Interest rate risk arises primarily from fluctuations in the interest rate on the advance from the Province of Alberta and foreign currency risk from fluctuations in the value of the Corporation's U.S. dollar bank account. As a result, exposure to foreign currency risk and interest rate risk is limited.

14. RELATED PARTY TRANSACTIONS

Related parties are the government funds, pension plans and other entities for which the Corporation provides investment management services. The Corporation had the following transactions with related parties recorded at the amount of consideration agreed upon between the related parties.

For the years ended March 31 ($ thousands)	**2010**	2009
REVENUES		
Service revenue	**$ 59,406**	$ 39,771
EXPENSES		
Interest on advance from Province of Alberta	**$ 65**	$ 546
Contracted services (rent and other)	**1,610**	2,043
	$ 1,675	$ 2,589
ASSETS		
Accounts receivable	**$ 12,196**	$ 12,324
LIABILITIES		
Accounts payable	**$ 5,403**	$ 925
Advance from Province of Alberta	**28,249**	28,249
	$ 33,652	$ 29,174

15. SALARIES AND BENEFITS DISCLOSURE

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

The tables below present total compensation of the directors and senior management of the Corporation earned in the years ended March 31 in accordance with Treasury Board directive 03/2007. This directive applies to all departments, regulated funds, provincial agencies and Crown-controlled organizations.

For the years ended March 31 ($ thousands)					**2010**	2009
	BASE SALARY[1]	VARIABLE PAY[2]	OTHER CASH BENEFITS[3]	OTHER NON-CASH BENEFITS[4]	**TOTAL**	TOTAL
Chairman of the Board[5]	$ –	$ –	$ 108	$ –	**$ 108**	$ 80
Board members[5]	–	–	435	–	**435**	347
Chief Executive Officer[6]	500	502	17	50	**1,069**	1,603
Chief Investment Officer[7]	91	–	137	14	**242**	2,806
Chief Operating Officer	254	299	55	25	**633**	355
Chief Financial Officer	250	67	1	25	**343**	213
Chief Risk Officer	225	175	1	36	**437**	356

[1] *Base Salary consists of all regular pensionable base pay earned.*

[2] *Variable Pay is accrued based on goal attainment for the calendar year end and paid in the subsequent period.*

[3] *Other Cash Benefits consist of retainers, honoraria, lump sum payments and any other direct cash remuneration.*

[4] *Other Non-Cash Benefits consist of the Corporation's share of all employee benefits and contributions or payments made on behalf of employees, including pension, supplementary retirement plans, statutory contributions, RFU paid during the year and health plan coverage.*

[5] *The Board consisted of 11 independent members from July 2009 to November 2009 including the Chairman, whose salary is disclosed separately. The Deputy Minister of Finance and Enterprise was a Board member and received no compensation from the Corporation during this time. The remainder of the year the Board consisted of 10 independent members.*

[6] *The Chief Executive Officer also served in the role of Chief Investment Officer from July 1, 2009.*

[7] *The Chief Investment Officer announced his retirement on March 31, 2009, and his last day with the Corporation was June 30, 2009.*

DEFERRED LONG-TERM INCENTIVE COMPENSATION

For the years ended March 31 ($ thousands)			**2010**	2009
	LTIP GRANT	RFU GRANT	**TOTAL**	TOTAL
Chief Executive Officer	$ 500	$ –	**$ 500**	$ 500
Chief Investment Officer	362	–	**362**	362
Chief Operating Officer	239	–	**239**	325
Chief Financial Officer	100	–	**100**	75
Chief Risk Officer	169	–	**169**	150

The Corporation provides retention incentives to employees through a Long-Term Incentive Plan (LTIP) as described in Note 8. The LTIP promises a deferred reward for generating superior average net incremental return from active management ("value-added") over a four-year period. Senior management and other key professionals of the Corporation receive LTIP "grants" on January 1 of each year that vary in size with their level of responsibility and quality of past performance. The 2009 LTIP grants will vest on December 31, 2012; the 2010 grants will vest one year later. In the majority of situations, employees must be actively working for the Corporation on the date of payment.

LTIP grants have not been included in the Salaries and Benefits table because they have an initial cash value of zero. When they mature after four years, they will pay between zero and three times the size of the grant. The maximum amount will be paid if the average four-year value-added exceeds the average "stretch target" annually set by the Board. For 2009 and 2010, the stretch targets are $500 million. Total LTIP grants for 2009 were $4,453, so the maximum payable in 2013 will be 3 x $4,453 = $13,359. Assuming that the average 2009–2012 stretch target is $500 million, this would represent about 2.6 cents for every dollar of average value-added over four years. Similarly, for 2010, LTIP grants totalled $5,222, so the maximum payable in 2014 will be 3 x $5,222 = $15,666.

RFU(s) have time horizons of one to three years for vesting provisions. Employees must be on staff as of the payment date in order to be eligible to receive any vested payments. The total RFU grant for 2010 is $nil (2009 – $630). Total RFU eligible payouts in 2010 are $152 (2009 – nil). RFU is accrued over the one- to three-year vesting period.

16. COMMITMENTS

The Corporation has entered into various agreements with minimum annual commitments for office space as follows:

($ thousands)	
2011	$ 3,408
2012	3,472
2013	3,662
2014	3,570
2015	3,442
Thereafter	16,350
Total	$ 33,904

The Corporation entered into a lease agreement for a new facility commencing January 1, 2010. This agreement is for 10 years, with two optional renewal periods of five years each. As part of the lease agreement, the Corporation received a lease inducement of $6,768. The inducement is recognized as a reduction in lease expense over the 10-year term of the lease. The total deferred lease inducement as at March 31, 2010, which includes the Corporation's offices in Toronto, is $6,766 (2009 – $962).

17. 2009–2010 BUDGET

The Corporation's 2009–2010 budget was approved by the Board of Directors on January 30, 2009.

Investments over $300 Million

Corporate Issuers

As at March 31, 2010 ($ millions)	ASSETS UNDER MANAGEMENT	% OF TOTAL
Royal Bank of Canada	1,634	2.3%
Canadian Imperial Bank of Commerce	1,612	2.3%
Bank of Nova Scotia	1,492	2.1%
Toronto-Dominion Bank, The	1,310	1.9%
Bank of Montreal	1,237	1.7%
Bank of America	720	1.0%
General Electric	679	1.0%
HSBC Holdings	604	0.9%
Precision Drilling	596	0.8%
TNT	578	0.8%
Viterra	531	0.8%
National Bank of Canada	518	0.7%
Manulife Financial	498	0.7%
Sun Life Financial	475	0.7%
Wells Fargo	415	0.6%
Greater Toronto Airports Authority	371	0.5%
Capital Desjardins	369	0.5%
Power Corp of Canada	332	0.5%
Suncor Energy	326	0.5%
Fairfax Financial	325	0.5%
Honda Motor	315	0.4%
	14,937	**21%**

Government Issuers

As at March 31, 2010 ($ millions)	ASSETS UNDER MANAGEMENT	% OF TOTAL
Government of Canada	7,724	10.9%
Province of Quebec, Canada	3,407	4.8%
Province of Ontario, Canada	3,327	4.7%
Province of British Columbia, Canada	1,473	2.1%
Province of New Brunswick, Canada	816	1.2%
Ontario Municipal Employees Retirement System	569	0.8%
Province of Nova Scotia, Canada	530	0.7%
Caisse de dépôt et placement du Québec	439	0.6%
Province of Manitoba, Canada	406	0.6%
Province of Newfoundland, Canada	352	0.5%
	19,041	**27%**

Senior Management Team

LEO DE BEVER
Chief Executive Officer and Chief Investment Officer

JAGDEEP SINGH BACHHER
Chief Operating Officer

WARREN CABRAL
Chief Financial Officer

CAROLE HUNT, Q.C.
Chief Legal Counsel and Corporate Secretary

JOHN OSBORNE
Chief Risk Officer

LORNE R. ANDERSON
Senior Vice President, Human Resources

MICHEAL DAL BELLO
Senior Vice President, Real Estate

GEORGE ENGMAN
Senior Vice President, Private Equity

BRIAN GIBSON
Senior Vice President, Public Equities

DALE MACMASTER
Senior Vice President, Fixed Income Investments

DOUGLAS STRATTON
Senior Vice President, Fund Management Group

SALLY CHAN
Vice President, Internal Audit

SHARILEE FOSSUM
Vice President, Systems and Technology

ANDREW W. HUNTLEY
Vice President, Mortgages

STEPHEN STEWART
Vice President, Private Debt

Concept and Design: THE WORKS www.worksdesign.com

Alberta Investment
Management Corporation

HEAD OFFICE

1100 – 10830 Jasper Avenue
Edmonton, Alberta T5J 2B3 Canada
Telephone: 1-780-392-3600

TORONTO OFFICE

70 York Street, Suite 1700
Toronto, Ontario M5J 1S9 Canada
Telephone: 1-416-304-1160

www.aimco.alberta.ca