



May 14, 2020

A Message from the AIMCo Board of Directors

During the current COVID-19-induced economic downturn one of AIMCo's investment strategies has performed particularly poorly. This volatility trading strategy incurred a loss of \$2.1 billion or about 2% of AIMCo's portfolio. Oversight of AIMCo's investment strategies and risk management is the responsibility of the Board of Directors. We deeply regret this result and are determined that the lessons from this experience will improve the Corporation's management processes and prevent any similar occurrences.

Accordingly, the Board identified three immediate priorities. The first was to limit the damage from the volatility trading strategy.

Second, the Board has confirmed that no other investment strategies could generate substantial losses in very unusual circumstances.

Third, the Board is undertaking a comprehensive review of the volatility trading strategy to identify lessons learned and corresponding enhancements to AIMCo's investment and risk management processes and has enlisted the assistance of Senior Partners in KPMG's Financial Risk Management team to provide an independent review. Additionally, Barbara Zvan, former Chief Risk & Strategy Officer of the Ontario Teachers' Pension Plan has agreed to share her considerable expertise and insights in this regard to support the Board through this process.

The review and resulting process enhancements will be shared with AIMCo's clients and shareholder with a target completion of mid-June.