2014 Annual Report

INVESTED IN PEOPLE

AIMCo

Invested
in people
working to
create value,
by managing
investments
that create
value.

Invested
in People

AIMCo is invested in its Clients. Articulated in our Clients First philosophy, we manage every dollar of investment knowing it has a destination and purpose.

Our Clients are invested in us and in our ability to effectively manage their assets and ensure they are able to meet their long-term stakeholder obligations.

We are invested in our team and committed to professional development and organizational excellence. We are invested in our infrastructure—the systems and processes that allow us to manage more than $80 billion in assets.

We are invested in the time it takes to properly assess the thousands of investment opportunities presented to us to ensure we make the right choices on behalf of our Clients.

We are invested in Alberta and are proud of our responsibility to deliver on the Province's vision for AIMCo when it was established as a Crown corporation in 2008.

We create value through superior investment management at a low cost by attracting top talent to our ranks.

Our business is People and we are proud of the difference we make for Albertans.

Invested in Our Values

AIMCo is invested in its Core Values. They are foundational to our culture, so we developed them together. We own our values and employ them in every decision we make to generate value for our Clients, and for all Albertans.

Vision Enriching the lives of Albertans by building prosperity, security and opportunity across generations.

Core Values Bringing our aspirational culture and AIMCo's Core Values to life is one of our most important priorities.

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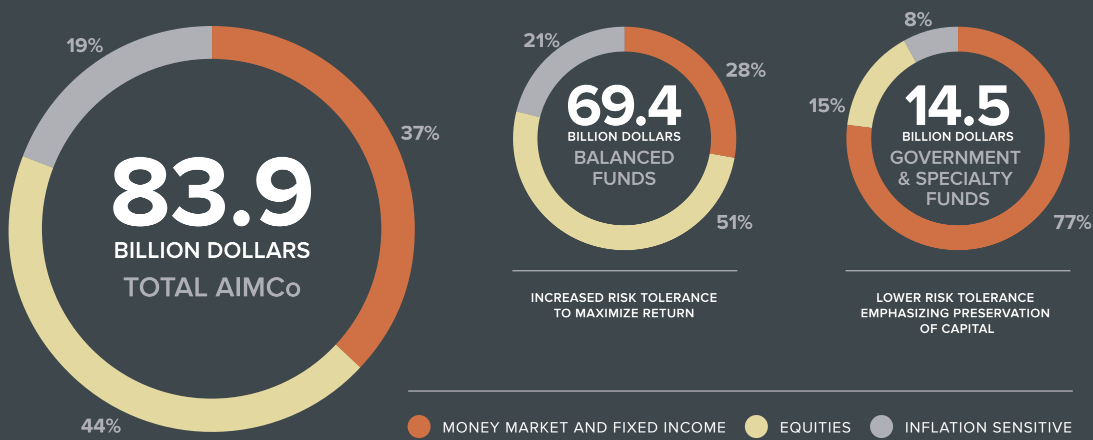
We are invested in internal expertise. We create value for our Clients by coupling a deep understanding of their investment objectives to the most appropriate investment opportunities around the world.

Our Clients' global perspective provides natural diversification and is a calming influence to the volatility in the investment markets. The scale and patience of their mandates allow AIMCo to be a strong, and sought after, investment partner on a global scale.

To realize maximum value for our Clients, AIMCo has strategically positioned itself in offices around the globe. The majority of our team resides in our Edmonton headquarters, where we manage a global pool of investments across all asset classes, while we maintain an office in Toronto to oversee our Private Markets strategy. In 2014, AIMCo established its first international office in London, United Kingdom to provide better, and more cost-effective, oversight of our increasing number of European investments.

INVESTMENT PERFORMANCE HIGHLIGHTS

AS AT DECEMBER 31, 2014



9.9
PERCENT
TOTAL AIMCo NET INVESTMENT RETURN

11.2
PERCENT
BALANCED FUNDS NET INVESTMENT RETURN

4.4
PERCENT
GOVERNMENT & SPECIALTY FUNDS NET INVESTMENT RETURN

7.6
BILLION DOLLARS
NET INVESTMENT INCOME IN 2014

36.5
BILLION DOLLARS
NET INVESTMENT INCOME SINCE 2009

Message from the Chair

The mandate of AIMCo's Board has been to develop a leading global investment management organization to best serve our Clients and the financial well-being of all Albertans. Through my terms as a founding director, and since becoming Chair in December 2014, the board of directors has committed itself alongside AIMCo's Executive Team to realize the Province's vision. We are aligning strong governance, exceptional talent, a commitment to organizational excellence and the latitude to make investment decisions that best meet the long-term interests of our Clients.

In 2014, AIMCo's assets under management grew to $83.9 billion, on which a return of 9.9% or $7.6 billion was earned for our Clients after all costs and fees. Despite significant volatility in the markets, AIMCo's investment teams returned strong performance in most asset classes, in both public and private market investments.

AIMCo's ability to satisfy stakeholder expectations is rooted in having a large, stable pool of capital, with a high level of return and risk alignment among Clients. AIMCo is invested in our Clients, and they, likewise, are invested in us for our ability to earn a return aligned to their unique requirements. The collective assets we manage on their behalf provide all of our Clients with a unique advantage in today's investment markets.

Strong governance is critical to ensuring an organization of AIMCo's scale and scope remains the most effective platform for our Clients. Our board is committed to diversity and comprised of leading experts in finance, pensions and business.

Enduring success must include the quality of human experience as an essential outcome of success. It is about both results and relationships comprising both financial values and human values. AIMCo's Clients represent all Albertans and our pledge to them is to discharge our responsibilities effectively and with the highest possible level of professionalism and ethics.

On behalf of the board, we are pleased to welcome Kevin Uebelein as the new Chief Executive Officer of the AIMCo team. We look forward to working closely with him through the next phase of our organization's development.

We thank outgoing CEO Leo de Bever for his unwavering commitment and dedication. Leo's passion for investments and emphasis on innovation enabled AIMCo to become the established investment leader it is today.

The board of directors would like to acknowledge the important contribution of our founding Chair, Charles Baillie. Mr. Baillie served with great dedication since 2007 and has been a major source of inspiration and guidance for all of us. We also recognize the important influence of director Cathy Williams who retired from the board this year. Both individuals have tremendously influenced AIMCo's evolution into the investment organization it is today.

[Original signed by Mac H. Van Wielingen]

MAC VAN WIELINGEN
Chair

Message from the CEO

In its relatively brief history, AIMCo has delivered investment performance, attracted talent and grown its capabilities in ways that have made it a point of justified pride for Albertans. As its new CEO, I share that pride, and I am extremely pleased to set out our accomplishments—and our goals for the future—in this annual report.

Our ability to deliver a superior and satisfactory experience in every interaction with our Clients is AIMCo's primary focus. For us, this focus begins and ends with delivering on our investment mandate. In my meetings with Clients, they affirmed the appropriateness of this initiative and have offered their support in its realization. We are defining and setting our corporate strategy to ensure that the entire organization shares this dedication to our Clients as our top priority.

Our commitment is to be both client dedicated and performance driven in all aspects of our business, always seeking continuous incremental improvement. Ultimately, it is to be truly world-class, not only in benchmarking our returns but in all facets of our business compared to the best asset managers wherever they may exist. We will do this in a spirit of collaboration internally with all employees, and with our Clients and all stakeholders.

AIMCo remains committed to seek out the best investment opportunities for our Clients with careful consideration of their unique liability and risk-return profiles. We will strive to be a transparent and trusted advisor and will work closely to understand client needs. We will match those needs to our capabilities and ensure that long-term stakeholder obligations are satisfied.

Although we are inspired to always improve and advance, on a certain foundational level, the Province's vision to establish a public asset manager that is competitive on a global scale has been realized. AIMCo embraces all of the core components of what has been recognized globally as the "Canadian Model" and is well positioned for the future. This Model's components allow AIMCo to be structured with appropriate separation to allow optimal, unbiased investment decision making, with complete accountability and dedication to its Clients; it provides AIMCo the sufficient scale to acquire globally-competitive talent and knowledge, to command market clout and achieve low management costs.

As important as any of these other components, AIMCo will always conduct its business The Right Way, adhering to the highest ethical standards, respecting our people and relationships, and being responsible investors.

On behalf of the AIMCo team, I extend our thanks to the AIMCo Client Boards and Investment Committees, the Province of Alberta and to all who supported our efforts in 2014. I would personally like to thank AIMCo's Clients, our Board of Directors and the talented team of professionals for welcoming me to the organization. I look forward to leading and delivering on our mandate of superior risk-adjusted net returns for our Clients, and doing so within an environment of strong Client engagement.

[Original signed by Kevin Uebelein]

KEVIN UEBELEIN
Chief Executive Officer

HOME GROWN INVESTMENTS

Leveraging Alberta Expertise to make and manage investments around the world

Mortgages

By seizing upon a rare opportunity to acquire a conservative, seasoned loan portfolio from a prominent Canadian pension fund, AIMCo's Mortgage team was able to satisfy our Clients' target allocation to this asset class. The team integrated the $520 million, 50 loan portfolio of high quality and geographically dispersed Canadian mortgages into AIMCo's existing mortgage portfolio.

EXPERTISE

Qualified parties were invited to submit offers to purchase the entire OMERS mortgage portfolio. AIMCo's ability to transact quickly was rewarded with an exclusive opportunity to negotiate, culminating in the execution of a Mortgage Loan Purchase Agreement. The agreement was subject to loan due diligence and competition bureau consent and the team successfully closed the transaction in August 2014.

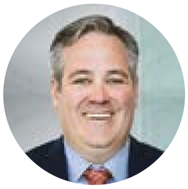
INVESTMENT CHARACTERISTICS

- 50 first mortgages: 29 conventional and 21 CMHC insured
- Geographically dispersed across Canada: 67% Ontario, 17% Alberta, 9% Quebec, 4% British Columbia, 3% Nova Scotia
- Portfolio was comprised of high quality real estate of a variety of property types: 34% Office, 28% Multifamily, 16% Industrial, 15% Retail, 7% Hotel

DEAL TEAM

ANDREW HUNTLEY
Senior Vice President Mortgage Investments

DAVID GRIEVE
Director Mortgage Investments



SCOTT RUSSILL
Portfolio Manager Mortgage Investments

SACHIKO GOTO
Senior Analyst Mortgage Investments

JON REAY
Senior Legal Counsel

CHRISTINA LUISON
Legal Counsel

AIMCo's Public Equities team is responsible for managing over $33 billion through a set of diversified portfolios invested across 45 global equity markets. In 2014 the team outperformed their benchmarks by emphasizing high quality and value oriented stock selection strategies, while carefully managing country, sector and currency risks.

The team manages a wide range of strategies including index, quantitative, fundamental stock selection and alpha strategies. This approach is designed to provide a diverse set of exposures and has led to strong risk adjusted returns for AIMCo's Clients.

INTERVIEW WITH PETER PONTIKES, SENIOR VICE PRESIDENT, PUBLIC EQUITIES

How do you go about constructing equity portfolios?

We start with the idea that there are many sources of risk in the equity markets, some will pay our Clients positively and others may not. Our primary job is to identify the risks we want to add in the portfolio and design strategies to target those exposures while minimizing exposure to undesirable risks.

What do you consider desirable risk exposures?

AIMCo's public equities portfolios tend to tilt towards value, quality and low volatility. Our research shows that these characteristics tend to outperform over time.

Describe your team.

The Public Equities team consists of 25 individuals with backgrounds in Finance, Economics, Engineering and Computing Science. The depth and breadth of experience in the team allows us to research, manage and trade a diverse set of strategies internally. Today, more than 55% of the portfolio is internally managed.

Which countries or regions do you invest in?

AIMCo's public equities are invested across nearly all developed and emerging markets—45 countries in total. We tend to be quite diversified in this regard and are quite modest in terms of taking significant country bets versus our benchmarks. However, during most of 2014 we tended to be overweight the United States and Japan and underweight Europe.

What is AIMCo's view on the equity markets?

During 2014 we maintained an overweight to equities versus fixed income for our Clients. We believed that equity valuations were reasonable and prospects for earnings growth were positive for most markets.

What is your view on Energy stocks?

Energy stocks experienced a big sell off in 2014. Situations like this often create opportunities and we have been keeping a close watch on the sector. We believe there will be winners and losers, and we carefully accumulated positions in companies with strong balance sheets, high netbacks and high quality management.

QUANTITATIVE INVESTMENTS TEAM

left to right:

1 **JASON HUANG,** Associate Portfolio Manager;
2 **JOHN CHEN,** Associate Portfolio Manager;
3 **DAVID TRISKA,** Associate Portfolio Manager;
4 **LI XIAO,** Senior Analyst;
5 **DARREN WETTIG,** Associate Portfolio Manager;
6 **TAMARA OWCHAR,** Director;
7 **ATAM KAPOOR,** Associate Portfolio Manager
Missing: **PEI LI,** Analyst

EXTERNAL FUNDS TEAM

left to right:

1 **CHRISTOPHER TSANG,** Junior Research Analyst;
2 **JAMES SAWATZKY,** Analyst;
3 **ALEJANDRO HERNANDEZ,** Associate Portfolio Manager;
4 **ALY RAHEMTULLA,** Analyst;
5 **ERIC PEDDE,** Director

CONVICTION EQUITIES TEAM

left to right:

1 **KEITH WALTON,** Portfolio Manager;
2 **KIRBY O'CONNOR,** Portfolio Manager;
3 **DAVID TILEY,** Director;
4 **JAMES ALDER,** Portfolio Manager

INDEXES TEAM

left to right:

1 **NICK WILDMAN,** Analyst;
2 **DIETMAR SOLLBACH,** Director;
3 **JENNY LI,** Senior Analyst;
4 **SRDAN KOMLENOVIC,** Analyst

TRADING TEAM

left to right:

1 **CHRISTIAN YACOUB,** Senior Trading Analyst;
2 **JUSTIN LORD,** Equity Trader/Portfolio Manager;
3 **BRIAN NG,** Senior Analyst Public Equity Strategies;
4 **RICHARD WAN,** Director

INFRASTRUCTURE INVESTMENTS

Providing diversified long-term returns for our clients

Porterbrook

Passenger rail transportation is an essential service in the United Kingdom. With a fleet of 5,870 vehicles, Derby-based Porterbrook is the second largest owner and lessor of trains in the UK. Porterbrook leases trains to almost all UK-based operators and manages maintenance on some of the fleet as a value added service.

EXPERTISE

In October 2014, AIMCo's new London office played an important role in developing a strong consortium of institutional investment partners and forming relationships with experienced and long-term infrastructure investors that enabled the Porterbrook opportunity. These new relationships, coupled with the stable political and regulatory environment of the UK and ongoing growth in passenger rail volume, could mean future investment opportunities for AIMCo's Clients.

INVESTMENT CHARACTERISTICS

- Long life, high quality infrastructure assets with stable cash flow
- Traffic risk borne by train operators, not Porterbrook
- Long-term growth in passenger rail volume supported by population growth, road congestion, and urbanization
- First direct rail investment in the infrastructure portfolio, providing further diversification

DEAL TEAM

KEVIN ROSEKE
Director (London)

ADAM HARBORA
Manager

RABAH SADRUDDIN
Associate Portfolio Manager

ROD GIRARD
Senior Legal Counsel

JEFF WISPINSKI
Legal Counsel

CHRISTINA LUISON
Legal Counsel

REAL ESTATE INVESTMENTS

Investments that build community

BBC Television Centre

BBC Television Centre is a West London landmark, which is prime for a transformation that will breathe new life into the community. The development, branded Television Centre, benefits from a strong legacy and rich cultural heritage that is rare among redevelopment opportunities. The redevelopment of the property represents a new phase for this iconic building.

EXPERTISE

Greater London has a current shortage of housing, a problem which is compounded by a large population growth rate. The demand for London housing, particularly in areas with excellent transportation connections, underpins values and the sales rates required to support new large scale housing development such as Television Centre. AIMCo, in a joint venture with Mitsui Fudosan and Stanhope, purchased Television Centre in 2012 from the British Broadcasting Corporation with development initiated in 2015.

INVESTMENT CHARACTERISTICS

- 13.7 acre site, a rarity in London, provides opportunities to create a special environment that adds to the livability and attractiveness of the development
- Development Plan proposes 950 homes, 519,000 square feet of office accommodation, a 47 room boutique hotel, and other retail and leisure uses such as restaurants, cafés, cinemas, and service oriented retail
- Construction of Phase I of the development commences in summer 2015
- BBC Worldwide and BBC Studios and Post Production will return to portions of the site by 2017, continuing the long BBC tradition at this location

DEAL TEAM

MICHEAL DAL BELLO
Senior Vice President, Real Estate

MICHAEL FITZGERALD
Director, Head of London Office

IAN WOYCHUK
Director, Real Estate

PIERRE-MICHEL EDMOND
Senior Analyst, Real Estate

JEFF SWANSON
Analyst, Real Estate

BRAD COWBURN
Senior Legal Counsel

INVESTMENT OPERATIONS

Adding value in all elements of our business

AIMCo has established itself as a world-class investment management company. As important as the investment decisions we make is how we manage those assets. Investment Operations has grown in parallel with AIMCo's investment divisions to ensure we continue to provide the adaptive operational support that meets the increasing complexities of our investments.

Generating value beyond investments from our Edmonton headquarters, the Investment Operations departments are comprised of strong teams focused on providing high quality service to our internal clients. The team is dedicated to continual technical and soft skill training to ensure our operations remain in line with best practices.

We are focused on achieving operational effectiveness and efficiencies in our business. AIMCo's investment in technology and infrastructure has added scalability to our operations. These systems enable us to provide more services, handle increased business volumes and increase assets under management by approximately 20% since January 2009.

OUR TEAMS ARE INVESTED IN OUR SUCCESS

Investment Administration oversees investment life cycle events for AIMCo's listed securities and derivatives. Ongoing process improvement, and automation has allowed the team to increase the reliability of investment data, expand the scope of services offered, and handle increased transaction volumes, while reducing costs for Clients.

Middle Office manages AIMCo's data, tracks performance and is responsible for valuing and modelling our securities. New infrastructure and greater in-house skill sets have enabled the teams to assume greater responsibility, including valuing an increased number of private investments. Our systems have allowed us to save on data costs through centralization, while also making data available to other parts of the organization.

Real Estate Financial Operations & Private Investment Operations has managed to absorb an increase in assets under management while internalizing the asset administration of our externally managed properties, resulting in a net saving to our Clients.

Business Technology has integrated our new technology infrastructure, enabling AIMCo's business units to increase productivity and scalability. The team is ever evolving to remain current with the technology that will position us best for future needs.

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Each member of our team is invested in AIMCo and in the value we bring to our Clients. We apply our passion to achieve to every decision we make.

Our Team

1 **KEVIN UEBELEIN**
Chief Executive Officer

2 **DALE MACMASTER**
Chief Investment Officer

3 **ROBERT MAH**
Executive Vice President, Private Investments

4 **ANGELA FONG**
Chief Corporate and Human Resources Officer

5 **JACQUELYN COLVILLE**
Chief Financial Officer

6 **BRETT KIMAK**
Chief Compliance Officer

7 **JOHN OSBORNE**
Chief Risk Officer

8 **MICHAEL BAKER**
Senior Vice President, Investment Operations

9 **DARREN BACCUS**
Chief Client Relations and Legal Officer

AIMCo is Alberta's investment manager and we have attracted top talent from around the world to our province to build our team of investment and operations professionals. Each member of our team is invested in AIMCo and in the value we bring to our Clients. We apply our passion for achievement to every decision we make.

We are organized to support one another in making investments and managing Client assets. Collaboration is critical to our success, so we encourage open discussion and new ideas. Whether it's working across floors or time-zones, our teams are always connected.

We are unified in our goal to deliver a superior experience for our Clients. We take time to celebrate successes when they are achieved, while remaining focused on success over the long-term, understanding that sustainable performance is what will allow our Clients to meet their respective mandates.

INVESTED IN OUR CLIENTS

And committed to their experience

AIMCo is invested in understanding and meeting the needs of its 27 Clients to support them in delivering superior value to their stakeholders.

Our Clients are our highest priority and their experience with our organization is paramount to our ability to work closely together. We are an organization that is committed to Clients First and align every element of our operations to ensure we meet their goals.

AIMCo provides investment management, performance measurement, administration, compliance and proprietary market research to meet our Clients' needs. As a multi-client manager, we instill a strong Client relations focus across the organization so that all departments understand their objectives, our investment teams can develop strategies to address them and our Client relations team can communicate with Clients on how we are meeting their requirements.

Our Clients support all Albertans and are meaningful contributors to our society. We are proud to support them in meeting their mandates.

AIMCo CLIENTS REPRESENT ALL ALBERTANS:

- In 2014 our pension fund Clients made nearly $1.3 billion in pension payments to meet the retirement needs of over 330,000 active and retired public sector employees.
- The Alberta endowment fund system is the largest of its kind in Canada.
- The government funds we manage are used for Albertans' priorities such as health care, education, infrastructure and social programs.

Our Clients represent all Albertans and are meaningful contributors to our society. We are proud to support them in meeting their mandates.

AIMCo is invested for the long-term. To achieve superior Client Satisfaction we must be competitive in our ability to attract top global talent, pursue the best investment opportunities and cost effectively manage our operations. To achieve this, we have implemented a robust and thorough corporate planning process to ensure our corporate objectives align with the expectations our Clients have of us.

Annually we undertake an experience survey to understand our Clients' satisfaction with AIMCo and utilize their feedback as a key input in our annual planning cycle. We use that feedback to ensure our annual objectives are aligned to five key success drivers that we have developed as an organization.

In every aspect of our business, our focus is on performance. We aspire to deliver superior Client Satisfaction, which is supported by our ability to deliver top quartile investment performance, while leveraging scale and efficiencies to reduce costs. Strategic planning and, more importantly, executing on that plan ensures that the organization is positioned to meet the dynamic needs of our Clients years into the future. Underpinning all of this is an unwavering commitment to Doing Business the Right Way by empowering our People to make the right decisions that are in the best interests of our Clients.

Endowment Funds

AIMCo manages the assets of the Alberta Heritage Savings Trust Fund and a number of secondary endowment funds that have been spun off of the original endowment. A pioneer among sovereign wealth funds, these assets account for more than $22 billion of AIMCo's assets under management. Since their creation in 1976, a portion of the investment income generated by the Heritage Fund has funded critical infrastructure, scholarships and medical research across the province.

KEY OBJECTIVES FOR 2015

CLIENT SATISFACTION

- Implement a Client relations management system that will allow for higher quality and more timely interactions
- Survey our Clients annually and develop bespoke scorecards using key metrics, against which we will measure ourselves in future iterations of the survey

INVESTMENT PERFORMANCE

- Meet or exceed Clients' investment objectives
- Undertake a detailed review of AIMCo benchmarks to ensure meaningful alignment with our Clients objectives
- Undertake a detailed review of the investment strategies of AIMCo's illiquid asset classes

FINANCIAL AND OPERATIONAL PERFORMANCE

- Manage operational risk and internal control effectiveness while ensuring current internal controls are appropriate
- Ensure effective cost management

STRATEGIC PERFORMANCE

- Continue to enhance AIMCo's capability for organizational planning, performance and accountability

DOING BUSINESS THE RIGHT WAY/ PEOPLE

- Continue to build on the strengths of our AIMCo team
- Provide ongoing professional development opportunities for our team
- Continue to enhance employee engagement and retention programs

CLIENT PORTFOLIOS

Built for purpose

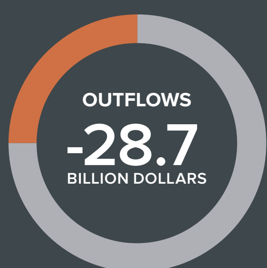
Assets Under Management

Each of AIMCo's Clients operate within unique parameters and specific obligations. Our Clients are responsible for establishing their respective investment policies and return targets. Our investment teams work within these parameters to develop appropriate investment portfolios that consider the risk and return characteristics required to meet those targets.

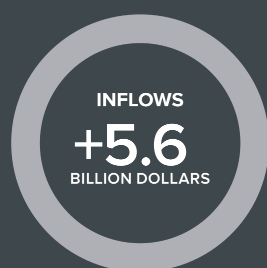
AIMCo CHANGES IN ASSETS UNDER MANAGEMENT 2009-14

70.5 BILLION DOLLARS — JANUARY 1, 2009

83.9 BILLION DOLLARS — DECEMBER 31, 2014



- 21.5 BILLION SHORT TERM GOVERNMENT FUND NET WITHDRAWALS
- 7.2 BILLION ENDOWMENT FUND NET WITHDRAWALS



- PENSION FUND NET CONTRIBUTIONS

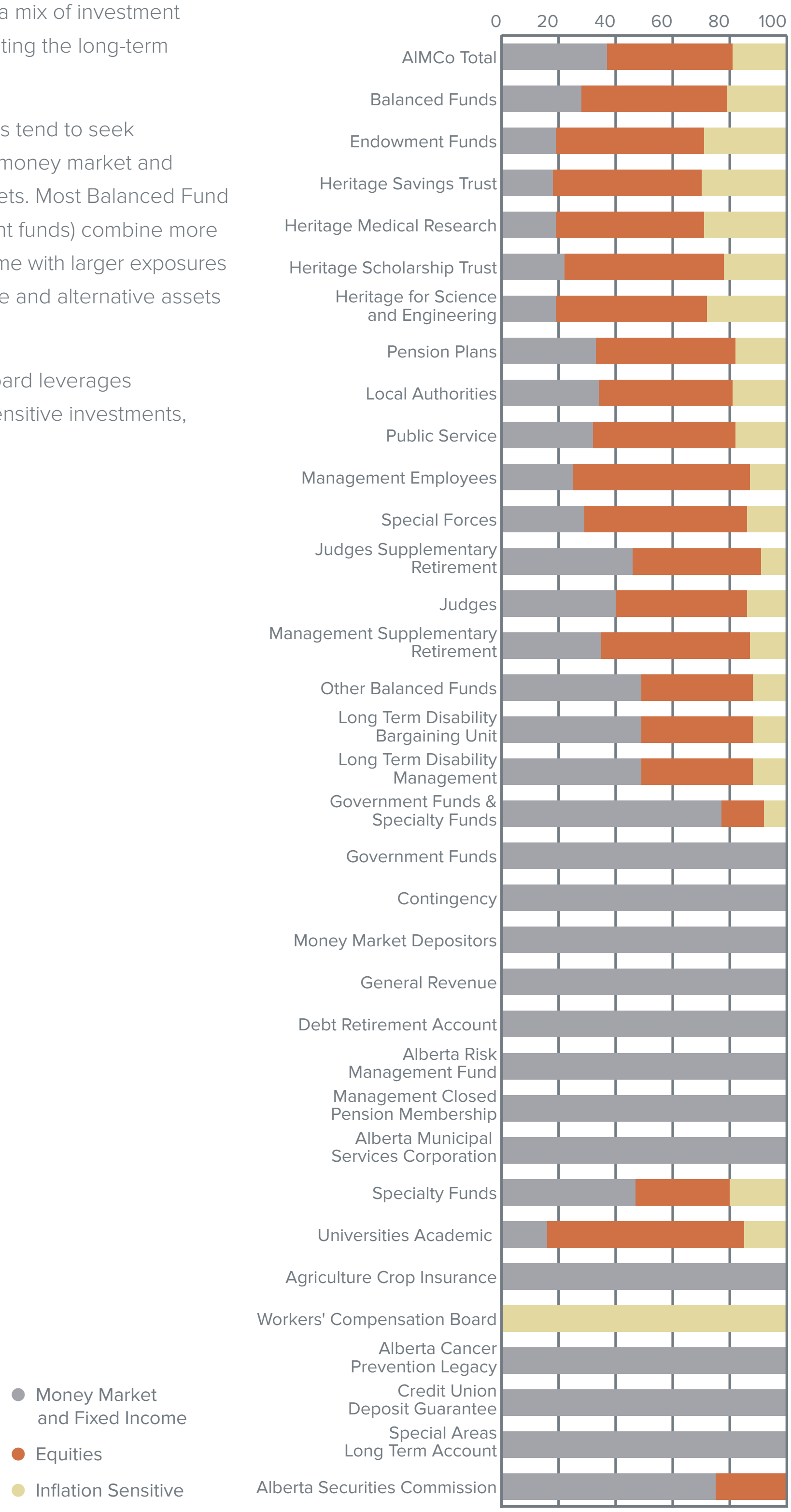
- 34.0 BILLION BENCHMARK RETURNS
- 2.5 BILLION AIMCO VALUE-ADDED

Assets under Management

Each of our Clients determines a mix of investment assets most appropriate to meeting the long-term objectives of their specific fund.

Government and Specialty funds tend to seek preservation of capital through money market and short duration fixed income assets. Most Balanced Fund Clients (pension and endowment funds) combine more modest allocations to fixed income with larger exposures to equities and inflation sensitive and alternative assets in order to seek higher returns.

The Workers' Compensation Board leverages AIMCo's expertise in inflation sensitive investments, such as real estate.



BY CLIENT TYPE AS OF DECEMBER 31, 2014

($millions)	MARKET VALUE	ASSET CLASS[1] MONEY MARKET & FIXED INCOME	EQUITIES	INFLATION SENSITIVE
AIMCo Total	**83,882**	37%	44%	19%
Balanced Funds[2]	**69,371**	28%	51%	21%
Endowment Funds	**22,029**	19%	52%	29%
Heritage Savings Trust	**18,369**	18%	52%	30%
Heritage Medical Research	**1,583**	19%	52%	29%
Heritage Scholarship Trust	**1,136**	22%	56%	22%
Heritage for Science and Engineering	**941**	19%	53%	28%
Pension Plans	**47,031**	33%	49%	18%
Local Authorities	**30,716**	34%	47%	19%
Public Service	**9,770**	32%	50%	18%
Management Employees	**3,882**	25%	62%	13%
Special Forces	**2,276**	29%	57%	14%
Judges Supplementary Retirement	**147**	46%	45%	9%
Judges	**129**	40%	46%	14%
Management Supplementary Retirement	**111**	35%	52%	13%
Other Balanced Funds	**311**	49%	39%	12%
Long Term Disability Bargaining Unit	**239**	49%	39%	12%
Long Term Disability Management	**72**	49%	39%	12%
Government Funds & Specialty Funds[3]	**14,511**	77%	15%	8%
Government Funds	**8,195**	100%	0%	0%
Contingency	**4,930**	100%	0%	0%
Money Market Depositors[3]	**2,055**	100%	0%	0%
General Revenue	**1,002**	100%	0%	0%
Debt Retirement Account	**150**	100%	0%	0%
Alberta Risk Management Fund	**42**	100%	0%	0%
Management Closed Pension Membership	**9**	100%	0%	0%
Alberta Municipal Services Corporation	**7**	100%	0%	0%
Specialty Funds	**6,316**	47%	33%	20%
Universities Academic	**3,050**	16%	69%	15%
Agriculture Crop Insurance	**1,693**	100%	0%	0%
Workers' Compensation Board	**787**	0%	0%	100%
Alberta Cancer Prevention Legacy	**474**	100%	0%	0%
Credit Union Deposit Guarantee	**257**	100%	0%	0%
Special Areas Long Term Account	**30**	100%	0%	0%
Alberta Securities Commission	**25**	75%	25%	0%

1 Asset class weights are per AIMCo's categorization criteria.

2 For balanced funds, notional exposures and Client-directed currency derivatives are not included in asset class calculations.

3 Includes various government agencies, organizations, Crown corporations and other accounts..

INVESTED FOR PERFORMANCE

That meets the obligations of our Clients

AIMCo earned a total fund net return of 9.9% in 2014.

The net of fees return was 11.2% for pension and endowment Clients, and 4.4% for government and specialty fund Clients.

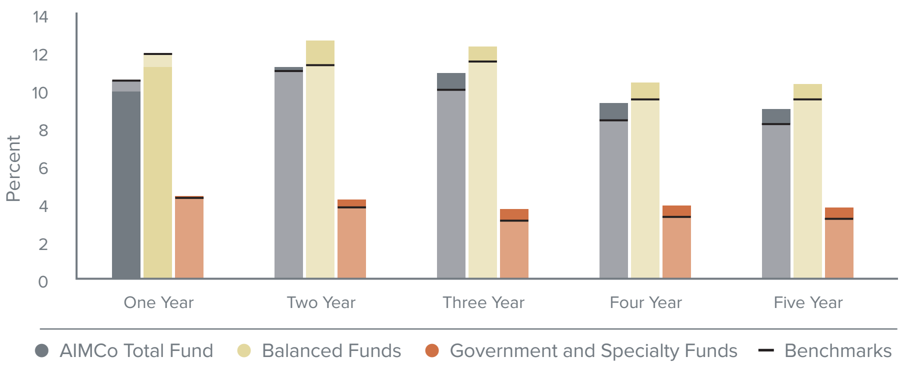
RETURNS FROM ACTIVE MANAGEMENT

Annually, the board and management agree on active return targets consistent with top quartile return on active risk. Since 2009, AIMCo has earned its Clients value add of $2.5 billion net of fees. In 2014, AIMCo earned a net of fees return of 9.9%, underperforming its active return target of 10.5% by 0.6% or $401 million net of fees.

Public markets investments performed strongly with public equities contributing $369 million and fixed income adding $167 million to value add. Private market investments also demonstrated strong returns in certain asset classes with real estate generating $145 million of value add.

The primary driver of underperformance in 2014 is attributed to losses incurred by AIMCo's global tactical asset allocation strategy and the revaluation of certain prior year insurance related investments. In addition, certain illiquid asset classes lagged behind the very strong performance of their listed benchmarks, a not unexpected outcome given the diversification rationale for investment in these asset classes.

AIMCo, BALANCED AND GOVERNMENT AND SPECIALTY COMPOSITE INVESTMENT PERFORMANCE



INVESTMENT PERFORMANCE

	CALENDAR YEAR (NET OF FEES)				
	2014	2013	2012	2011	2010
Rate of Return	**9.9%**	12.5%	10.2%	4.8%	7.9%
AIMCo Benchmark	**10.5%**	11.6%	8.2%	3.7%	7.5%
Return relative to Benchmark	**($401)**	$589	$1,284	$715	$221

- 2014 Return relative to Benchmark includes a one-time adjustment of $437 million due to the revaluation of certain insurance-related investments made in prior years.

Performance Benchmarks

AIMCo's performance benchmarks measure what our Clients could earn by passively implementing their investment policy with bond and stock market index investments. The incremental return above what markets provide measures the contribution of active management, referred to as value add.

The selection of appropriate benchmarks is important in investment management. Done properly, it ensures alignment of the Client's risk and return objectives to the investment strategy of the asset manager. Public market investment benchmarks comprise all of the attributes of an unbiased effective measure – transparent, stable, and investable. Illiquid asset classes are more difficult to benchmark given the lack of readily available comparison data for the physical assets invested in and due to the fact that by their very nature, these investments are expected to provide an illiquidity premium relative to the nearest listed proxy.

AIMCo and its Clients work together to identify the most appropriate benchmarks against which performance should be measured.

ASSET CLASS *(as at December 31, 2014)*	**AIMCo BENCHMARK**
Fixed Income	
Cash and Money Market	FTSE TMX Canada 30-Day T-bill Index
Short-Term Bonds	FTSE TMX Canada Short-Term All Government Bond Total Return Index
Medium-Term Bonds, including Mortgages	FTSE TMX Canada Universe Bond Total Return Index
Long-Term Bonds	FTSE TMX Canada Long-Term All Government Bond Total Return Index
Private Debt and Loan	FTSE TMX Canada Short Term Overall Index
Inflation Sensitive and Alternative	
Real Estate, Canadian and Foreign	REALpac/IPD Canadian All Property Index – Large Institutional Subset
Real Return Bonds	FTSE TMX Canada Real Return Bond Total Return Index
Timberlands	50% FTSE TMX Canada Real Return Bond Total Return Index / 50% MSCI World Net Total Return Index (hedged to CAD)
Infrastructure	50% FTSE TMX Canada Real Return Bond Total Return Index / 50% MSCI World Net Total Return Index (hedged to CAD)
Equities	
Canadian Public	S&P/TSX Composite Total Return Index
Global Public	MSCI World Net Total Return Index
Global Small Cap	1/3 S&P/TSX Small Cap Total Return Index / 2/3 MSCI World Small Cap Net Total Return Index
Private Equity	MSCI All Country World Net Total Return Index

Asset Class Summaries

AS OF DECEMBER 31, 2014		ANNUALIZED NET RETURNS (%)					CALENDAR YEAR NET RETURNS (%)				
Asset Class	Market Value ($mm)	1 yr	2 yr	3 yr	4 yr	5 yr	2014	2013	2012	2011	2010
Total AIMCo Fund Aggregate[1]	**$83,882**	**9.9**	**11.2**	**10.9**	**9.3**	**9.0**	**9.9**	**12.5**	**10.2**	**4.8**	**7.9**
Benchmark		10.5	11.0	10.0	8.4	8.2	10.5	11.6	8.2	3.7	7.5
Balanced Funds Aggregate	$69,371	11.2	12.6	12.3	10.4	10.3	11.2	14.0	11.9	4.9	9.9
Benchmark		11.9	12.4	11.5	9.5	9.5	11.9	13.0	9.6	3.6	9.8
Government Funds Aggregate	$14,511	4.4	4.2	3.7	3.9	3.8	4.4	4.0	2.9	4.3	3.4
Benchmark		4.3	3.8	3.1	3.3	3.2	4.3	3.4	1.7	3.9	2.6
Money Market & Fixed Income[2]	**$30,804**	**8.9**	**3.7**	**3.9**	**4.7**	**4.9**	**8.9**	**(1.3)**	**4.3**	**7.4**	**5.7**
Benchmark		8.7	2.7	2.7	4.1	4.2	8.7	(3.0)	2.6	8.5	4.8
Money Market	$3,540	1.1	1.2	1.3	1.3	1.1	1.1	1.4	1.4	1.1	0.7
Benchmark		0.9	1.0	1.0	1.0	0.9	0.9	1.0	1.0	1.0	0.5
Universe Bonds	$6,501	9.8	5.1	5.9	6.5	7.1	9.8	0.6	7.5	8.2	9.5
Benchmark		8.8	3.7	3.7	5.1	5.4	8.8	(1.2)	3.6	9.7	6.7
Long Bonds	$6,950	18.8	6.3	6.0	8.6	9.5	18.8	(4.9)	5.3	17.1	13.0
Benchmark		17.9	4.7	4.5	7.9	8.7	17.9	(7.0)	4.0	18.8	12.1
Segregated Short Term Fixed Income[3]	$5,664	3.1	2.6	2.6	3.1	3.2	3.1	2.1	2.6	4.8	3.6
Segregated Long Term Fixed Income[4]	$1,872	2.7	2.2	2.1	2.5	2.6	2.7	1.7	2.0	3.6	2.9
Private Mortgages	$3,052	9.8	5.1	5.0	6.4	7.2	9.8	0.5	4.8	10.9	10.4
Benchmark		8.8	3.7	3.7	5.1	5.4	8.8	(1.2)	3.6	9.7	6.7
Private Debt and Loan[5]	$831	7.0	7.6	7.9	7.5	–	7.0	8.1	8.5	6.3	–
Benchmark		3.1	1.2	2.8	5.0	–	3.1	(0.5)	6.1	12.0	–
Real Return Bonds	$2,394	13.5	(0.4)	0.8	4.9	6.1	13.5	(12.5)	3.1	18.2	11.0
Benchmark		13.2	(0.8)	0.4	4.6	5.9	13.2	(13.1)	2.9	18.3	11.1
Inflation Sensitive[6]	**$16,130**	**7.5**	**9.0**	**10.1**	**11.7**	**11.5**	**7.5**	**10.6**	**12.1**	**16.8**	**10.9**
Benchmark		8.9	9.3	10.3	10.8	10.9	8.9	9.7	12.2	12.5	11.2
Real Estate	$10,435	8.8	10.5	12.1	14.2	13.9	8.8	12.2	15.5	20.7	12.8
Benchmark		7.1	9.0	10.6	11.9	11.7	7.1	10.9	13.8	15.9	11.2
Private Infrastructure	$4,136	6.5	4.7	5.8	6.4	6.3	6.5	2.9	8.1	8.0	5.9
Timberlands	$1,012	(2.8)	11.7	7.5	10.5	9.8	(2.8)	28.4	(0.4)	20.0	7.2
Benchmark		12.0	9.2	9.3	8.6	9.0	12.0	6.4	9.5	6.7	10.7
Equities	**$36,392**	**12.5**	**19.1**	**17.8**	**12.0**	**11.6**	**12.5**	**26.2**	**15.2**	**(3.7)**	**9.8**
Benchmark		12.6	19.4	16.9	10.9	10.7	12.6	26.6	12.0	(5.2)	9.6
Canadian Equity	$8,158	12.3	13.9	13.1	7.4	9.6	12.3	15.4	11.6	(8.0)	18.5
Benchmark		10.6	11.8	10.2	5.1	7.5	10.6	13.0	7.2	(8.7)	17.6
Global Equity[7]	$23,838	12.7	22.2	20.6	14.0	12.5	12.7	32.4	17.4	(3.5)	6.8
Benchmark		13.4	21.8	19.0	12.6	11.3	13.4	30.7	13.6	(4.6)	6.3
Global Small Cap Equity[8]	$1,059	9.8	24.8	–	–	–	9.8	42.0	1.5	–	–
Benchmark		6.6	17.4	–	–	–	6.6	29.3	0.4	–	–
Private Equity	$3,337	11.9	9.3	9.5	9.2	9.1	11.9	6.7	9.9	8.4	8.7
Benchmark		13.5	22.0	19.2	12.9	12.1	13.5	31.1	13.6	(3.9)	8.8

1 Includes innovative investing, AIMCo Strategic Opportunities, and currency hedging derivatives investments

2 Includes government policy loans historical returns. Does not include cash and cash equivalents held by other asset classes

3 Include investments held in the Sustainability and Credit Union Deposit Guarantee Fund

4 Include investments held in the Debt Retirement Account, Special Area Long-Term Account and Agriculture Crop Insurance portfolios

5 Private Debt and Loan asset class moved from Inflation Sensitive to Money Market and Fixed Income on January 1, 2014

6 Includes AIMCo Strategic Opportunities Pool market values and returns

7 Includes Global Market Equity, Portable Alpha Global and Emerging Market Equity pool market values and returns

8 Effective Date of performance and benchmark return is February 16, 2012 when position initiated.

Public Market Investments

Most of AIMCo's $63.9 billion of public market assets are managed internally. Certain mandates given to external investment managers reflect our continued search for high-returning strategies that are not cost-effective to support internally.

FIXED INCOME

The $21.0 billion portfolio of fixed income securities provides liquidity and moderates risk in AIMCo Clients' balanced portfolios. Against a backdrop of low interest rates and tight corporate spreads, the fixed income team performed well in 2014 and continued to provide superior risk-adjusted returns for our Clients.

Our two largest portfolios, the "universe pool", and the "long bond pool", returned 9.8% and 18.8% net of fees, strongly outperforming their respective benchmarks by 1.0% and 0.9%. The fixed income pools continued to perform well despite the decline in interest rates. Our fixed income team continued to be proactive with our investment strategy. The decline in interest rates caught most investors by surprise and dampened our performance. However, the combination of active trading, positioning on credit and superior sector selection has allowed us to continue a strong run of solid performance. Our strategy of consistently staying ahead of the market to identify the next best risk-adjusted investment opportunities was also one of our key success factors.

REAL RETURN BONDS

AIMCo's $2.4 billion real return bond portfolio provides inflation protection for our Clients. The majority of the portfolio is invested in less liquid Government of Canada real return bonds. For 2014, the portfolio generated a return of 13.5% net of fees, outperforming its benchmark by 0.3%.

MONEY MARKET

Our $3.5 billion portfolio of money market investments provides AIMCo's Clients with capital preservation, liquidity and superior risk-controlled returns relative to the benchmark. Assets are primarily invested in government, corporate and securitized assets, with modest allocation to floating rate notes. During 2014, our money market fund returned 1.1% net of fees, outperforming its benchmark by 0.2%.

MORTGAGES

Our $3.1 billion portfolio of commercial mortgages provides a steady cash flow and a premium return over government bonds. In 2014, the Mortgage Group deployed a record investment volume and funded our first European investment. The portfolio returned 9.8% net of fees, outperforming its benchmark by 1.0%.

PRIVATE DEBT AND LOAN

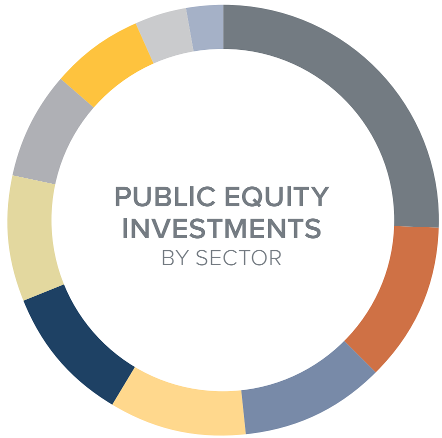
Our $0.8 billion portfolio of private debt and loan investments protect Clients against a rise in interest rates and provides diversification benefits due to the negative correlation with traditional fixed income investments. The highly diversified portfolio is primarily comprised of floating rate, senior secured loans extended to privately-held middle market businesses located in North America and Europe. The private debt portfolio generated a 7.0% net return, outperforming its benchmark by 3.9% in 2014.

Public Market Investments

PUBLIC EQUITIES

The Public Equities team manages $33.1 billion in public equities across domestic, global and emerging market portfolios. The underlying strategies that make up the public equity portfolio optimize allocations across a number of dimensions including size, quality, risk, sector and regional exposures. These strategies added significant value during 2014. The total Public Equity portfolio returned 12.6% net of fees. Our Canadian portfolios returned 12.3% net of fees for the year, beating the TSX Composite Index by 1.7%. The Global Equity portfolio earned 15.4% net of fees, outperforming its benchmark by 1.0%, while the Global Small Cap Equity portfolio earned 9.8% net of fees on the year versus a benchmark of 6.6%. The Emerging Market Portfolio returned 10.4%, net of fees, beating its benchmark by 3.8%. Strong internal performance was augmented by strong security selection from external managers.

The portfolio maintained a defensive posture while continuing to have a value tilt. The portfolio structure allows for adjustments to easily be made if the investment climate changes. The Public Equities team is continually seeking to develop and invest in new strategies that will provide significant long term returns in order to help meet and/or exceed our Client's long-term needs and objectives.



- 25.7% FINANCIALS
- 12.0% INFORMATION TECHNOLOGY
- 10.8% ENERGY
- 10.3% CONSUMER DISCRETIONARY
- 10.3% INDUSTRIALS
- 9.5% HEALTH CARE
- 7.8% CONSUMER STAPLES
- 7.0% MATERIALS
- 4.0% TELECOMMUNICATION SERVICES
- 2.6% UTILITIES

Pension Plans

AIMCo manages the assets of six public sector Pension Plans representing more than 330,000 Albertans. Collectively these plans account for more than $47 billion of AIMCo's assets under management. We work closely with each plan to understand their financial position and to determine an investment approach that is appropriate to their requirements. We are proud of the role we play in supporting our Clients to fulfill the pension promise to their constituents.

TACTICAL ASSET ALLOCATION

Tactical Asset Allocation activities focus on the overall global asset allocation and risk exposures of all of AIMCo's portfolios. It is an important tool that is holistically integrated into our investment platform to earn incremental value added return for our Clients and to make risk-mitigating portfolio adjustments, as required. AIMCo's Tactical Risk Allocation Committee monitors and oversees tactical asset allocation and investment strategy activities, including global portfolio risk exposures of our Clients.

DERIVATIVES

AIMCo utilizes derivatives to quickly and cost-effectively implement asset and currency allocation strategies, and to add value to market returns. As appropriate, AIMCo has utilized derivatives across all asset classes to hedge or express views. They are typically highly liquid, transparent, and relatively easy to price and implement and allow us to cost-effectively take exposures. Some of the more commonly utilized derivatives include:

1. FUTURES AND INDEX SWAPS

Futures and index swaps are used to manage our allocation to stock and bond markets more efficiently than if we purchased the constituents of market indices individually.

2. CREDIT DEFAULT SWAPS AND INTEREST RATE SWAPS

Credit default swaps and interest rate swaps are employed by AIMCo's fixed income group to manage exposure to credit and interest rates.

3. CURRENCY FORWARDS

Currency forwards allow us to match the currencies of our real estate, infrastructure, and timberland assets to the currencies of their respective benchmarks, and to express an active view on the relative value of currency pairs.

4. OPTIONS

AIMCo very selectively uses options to manage the impact of big swings in listed markets.

Specialty Funds

AIMCo manages the assets of a number of Specialty Funds, primarily on behalf of provincial arms-length organizations, including the Agriculture Financial Services Corporation, Workers Compensation Board, Credit Union Deposit Guarantee Corporation and others. In total, these funds represent $6.3 billion of assets under management at AIMCo. Each of these organizations aim to achieve a very specific mandate and we work closely with them to understand their needs and execute accordingly.

The private markets team manages $19.4 billion of assets in Real Estate, Infrastructure, Private Equity and Timberlands portfolios. The majority of investments are direct placements with some additional fund investments for specific mandates.

REAL ESTATE

The $10.4 billion real estate portfolio is expected to produce long run returns between those of public equities and fixed income. Much like equities, asset valuations can be volatile, but income returns tend to be stable in the range of 4% to 6% per year. Assets held for the long term are core strategy direct investments in high quality office, retail, industrial and multi-unit residential properties located in Canada's major centres. The foreign program has an opportunistic investment approach focused on repositioning and refurbishing properties to a modern standard. The portfolio returned 8.8% net of fees in calendar year 2014, outperforming its benchmark by 1.7%. Canadian assets returned 6.3% with the portfolio's capital value growth more muted than in the benchmark. The 18.1% return on foreign assets reflects a number of project realizations during the year.

TOP 5 REAL ESTATE HOLDINGS
as at December 31, 2014

1. **YORKDALE SHOPPING CENTRE**
   Retail
   Toronto, ON
2. **SQUARE ONE SHOPPING CENTRE**
   Retail
   Mississauga, ON
3. **SCARBOROUGH TOWN CENTRE**
   Retail
   Toronto, ON
4. **EIGHTH AVENUE PLACE**
   Office
   Calgary, AB
5. **BOW VALLEY SQUARE**
   Office
   Calgary, AB

- 41.5% ONTARIO
- 30.3% ALBERTA
- 10.3% UNITED KINGDOM
- 8.4% UNITED STATES
- 5.5% CANADA
- 2.9% EUROPE
- 0.5% LATIN AMERICA
- 0.3% QUEBEC
- 0.3% BRITISH COLUMBIA

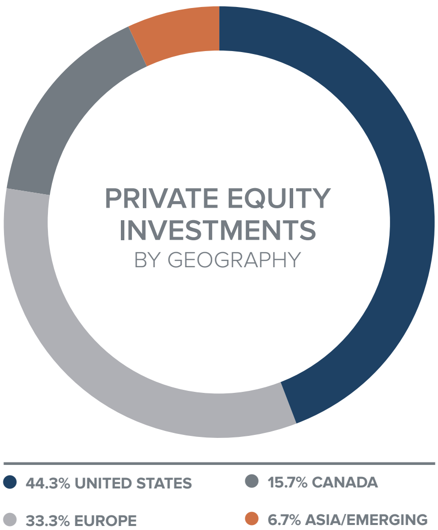
- 35.4% OFFICE
- 33.8% RETAIL
- 10.9% INDUSTRIAL
- 10.1% FUND
- 6.2% RESIDENTIAL
- 2.0% HOSPITALITY
- 1.6% OTHER

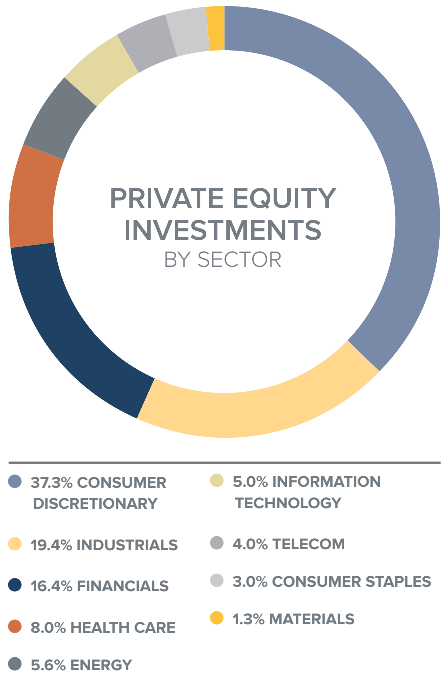
PRIVATE EQUITY

TOP 5 PRIVATE EQUITY HOLDINGS
as at December 31, 2014

1. **VUE**
   Consumer Discretionary
   United Kingdom
2. **LADDER CAPITAL**
   Financials
   United States
3. **MILACRON**
   Industrials
   United States
4. **ALEGEUS TECHNOLOGIES**
   Health Care
   United States
5. **KLEMKE MINING CORPORATION**
   Industrials
   Canada

AIMCo invests in private equity to increase its total returns while also diversifying the total portfolio and decreasing volatility relative to public markets. The $2.2 billion private equity portfolio is invested in both private funds and directly in private companies, typically with our fund partners and other peer institutions. AIMCo and its fund partners focus on investing in businesses that generate stable free cash flow and are operated by strong management teams. Private equity returned 21.7% in 2014, outperforming its benchmark by 8.1%. The outperformance was due to strong returns from fund partners and a number of strong direct investment exits.





RELATIONSHIP INVESTING

Relationship Investing is focused on situations where AIMCo can provide long-term capital that can complement a strong management team to improve a company's capital structure, underwrite an acquisition or improve a major line of business. The $291 million portfolio consists of larger, more illiquid public investments, private fund investments and private co-investments. The portfolio returned -31.6% net of fees for the year, 45.1% less than its benchmark. This underperformance was primarily due to a number of large energy investments that were exposed to falling oil prices.

VENTURE CAPITAL

Venture Capital invests in emerging technology companies with differentiated and sustainable competitive advantages, which are well positioned to benefit from positive secular industry trends. The $860 million portfolio consists of investments that can be both growth or value in nature. The portfolio returned 10.6% net of fees for the year, 2.9% less than its benchmark. This underperformance was primarily due to a write-down of the carrying value of a large biofuel investment and negative impacts from currency hedging.

TOP 5 HOLDINGS
as at December 31, 2014

1 **AUTOPISTA**
Transportation
Chile

2 **PORTERBROOK**
Transportation
UK

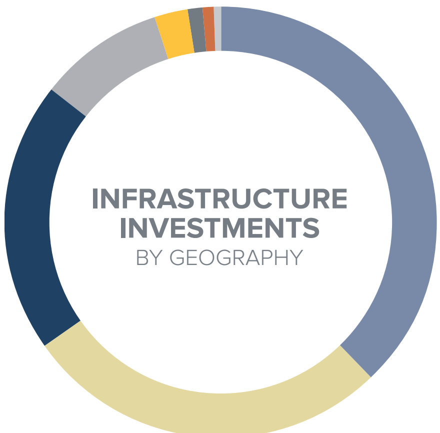
3 **SAESA GROUP**
Integrated Utilities
Chile

4 **PUGET ENERGY INC.**
Integrated Utilities
US

5 **FREQUENCY INFRASTRUCTURE GROUP**
Telecommunications
Australia/UK

INFRASTRUCTURE

AIMCo infrastructure investments match long duration real return asset characteristics with inflation-indexed pension liabilities. The $4.1 billion portfolio consists primarily of diversified long-term equity positions in assets with regulated returns or long-term contracted revenues. The portfolio returned 6.5% net of fees for the year, 5.5% less than its benchmark. This performance in part reflects that some of the larger assets are still in the earlier stages of their investment lifecycle



- 37.9% CHILE
- 27.4% UNITED KINGDOM
- 20.5% UNITED STATES
- 9.2% EUROPE
- 2.6% AUSTRALIA
- 1.2% CANADA
- 0.7% INDIA
- 0.5% OTHER

- 46.2% TRANSPORTATION
- 24.4% INTEGRATED UTILITIES
- 7.4% TELECOMMUNICATIONS
- 7.3% PIPELINES & MIDSTREAM
- 5.3% WATER
- 4.3% POWER GENERATION
- 2.5% ALTERNATIVE ENERGY
- 1.3% WASTE MANAGEMENT
- 1.3% OTHER

TIMBERLANDS

Timberland investments provide inflation hedging and a long-term duration match with Client obligations. AIMCo manages $1.0 billion in timberland assets situated primarily in North America, Australia and New Zealand. The AIMCo Timberlands portfolio generated a -2.8% net return, underperforming its benchmark by 14.8% in 2014. The majority of the assets were acquired from a financially distressed seller in Australia in 2010 and currently is in the process of restructuring and repositioning to optimize value.

Risk Management

Risk management is about understanding risk, establishing boundaries for risk that are palatable, and then allocating that finite risk resource to where it may best provide reward.

From an overall organizational risk perspective, AIMCo has applied additional resources to maturing our Enterprise Risk Management (ERM) processes. We finalized an organization-wide risk management policy and are developing a comprehensive register of the many risks we face. Explicit recognition and discussion of risk helps us in formalizing mitigation strategies to bring the combined risks to a level that is consistent with our appetite to bear risk.

From an investment perspective, 2014 saw equity markets approach all-time highs—again. While stock markets were enthusiastic, bond yields fell yet again over the year. Volatilities in both asset classes showed only short flashes of life, even as oil prices dropped in half.

Continuation of the one-way bond market direction seems unsustainable and we may well find ourselves at the end, or very near the end, of a 40 year decline in interest rates. The nature of investment risk may change as a result. If the coming years are unlikely to reflect what we have seen, we must broaden our approach to risk assessment. There are valuable lessons in history, but we recognize we may be entering a new paradigm we have not seen in our careers.

In 2015, AIMCo will begin a search for a new primary risk system to apply our thinking on these perspectives.

In 2014 we worked on the implementation of factor risk tools that will be complete in 2015. These tools help us to break investment risk in various asset classes into readily identifiable components, a timely example of which would be how sensitive they are to changes in interest rates. We will apply this methodology in our assessment of a continuously changing set of economic scenarios and weigh the results against our established risk boundaries.

There will be a need to augment new tools and methods with renewed education for Clients and staff to ensure we collectively make the best use of our new capabilities as they come on stream.

AIMCo's Clients continue to allocate capital to private assets, where assessment of risk is more challenging than in public markets as these assets tend to be valued infrequently and analytic data is often limited. Our challenge is to understand the unique potential stresses that would affect each of these investments and to monitor, assess, and where it makes sense, mitigate these attributes.

In the year ahead it will be important for AIMCo to carefully and regularly assess the level and distribution of risk. In doing so we hope to continue to provide Clients the best return on their risk allocation.

INVESTED WITH FORESIGHT

By understanding the past

Market Review & Investment Outlook

For over 30 years, capital markets have experienced a seemingly never ending bull market in interest rates. Central banks worldwide continue to keep rates low to prop up economic growth and, it appears, the lower rates go, the less effect there is on the economy.

For the year ending December 31, 2014, Canadian equities (S&P/TSX Composite Index) returned a healthy 10.6% but, nevertheless, was outpaced by the FTSE TMX Long Term Government bond index which returned 17.9%. Investors are left wondering when the next rate hiking cycle will begin as well as when low yield, low risk assets will cease to provide outsized returns.

Market Review & Investment Outlook

THE YEAR IN REVIEW

Overall, in 2014 the U.S. showed signs of growth firming up after a weak first quarter. The U.S. experienced healthy foreign demand for its produced goods, domestic business expanded moderately, fiscal policy ceased being restrictive, job gains gathered pace, and private consumption held relatively steady as households had already deleveraged meaningfully. Conversely, the housing sector still is not a significant contributor to growth and business investment remains weak.

The leading 2014 macro headline has been the drop in oil prices. The West Texas Intermediate (WTI) oil benchmark price per barrel fell 50% to year-end from its June 2014 peak. As the WTI oil price dipped throughout the second half of 2014, its underperformance took a toll on the Canadian dollar which declined 8.3% against its U.S. counterpart in 2014.

In 2014, Canadian inflation-adjusted economic growth (real GDP) came in close to consensus expectations, but declining oil prices put growth at risk for 2015. The centre of Canadian growth therefore is expected to shift to the central Canadian manufacturing provinces until oil prices regain some momentum.

Outside of North America, economic growth decelerated in most regions around the globe. China, Japan, and Germany all suffered from bouts of weakness; fears of a virulent Ebola virus spreading outside of Africa also contributed to the global gloomy sentiment at that time; Brazil felt the impacts of dwindling commodity prices; while Russia was distracted by border skirmishes with its neighbour, Ukraine. Consequently, market volatility increased in the second half of the year which culminated with a dramatic move lower in the U.S. Treasuries yield by mid-October 2014.

WHERE TO FROM HERE?

Of the various central banks globally, only the U.S. Fed seems to have embarked on the path of normalizing monetary policy, albeit in a very gradual fashion. Many factors explain such contrasting U.S. behaviour including positive growth differentials versus other developed markets, lower fiscal retrenchment, receding high unemployment, and deleveraging. It is also a case of diminished efficacy of the unconventional tools, such as quantitative easing (QE), put in place since the global financial crisis of 2008.

All the while, China appears to be gradually shifting its economy from a resource-intensive, export economy towards a consumption-led one. Structural reforms in China and other emerging markets are important to support long-term global growth as more than 50% of global real GDP growth can now be traced back to these constituencies.

From a market perspective, the vastly accommodative policy environment of the last few years has, undoubtedly, propelled market valuations to elevated levels. By year-end 2014, most equity markets could be deemed as being fairly valued via multiple metrics. Sovereign fixed income markets remain overvalued, but opportunities still exist across select fixed income markets, such as credit.

Longer term, AIMCo expects that the global economy, through the U.S. impulse primarily, will normalize itself over the next decade in terms of growth and inflation characteristics. AIMCo's assumption is that interest rates will, very gradually, normalize. The generally supportive economic growth and contained inflation should provide support for equity earnings growth and therefore we foresee better risk-adjusted returns from equity markets in comparison to fixed income assets. Real estate cap rates will also be negatively impacted but given growth in real estate yields, it should perform reasonably well. Various other building blocks for private equity and infrastructure are prospectively positive, though investors' continued thirst for yield and crowdedness will render investing into those asset classes more challenging.

GUIDING PRINCIPLES

That define our actions

Invested in our Core Values

Our Core Values are the foundation upon which our corporate culture continues to evolve. We expect our team to exemplify our Core Values every day, both at work and in the communities we serve.

An organization of our scale has an obligation to do more than simply meet our mandate. We strive to leverage our expertise and time to volunteer in our community and effect meaningful change for organizations serving a variety of causes.

We are responsible in our investment philosophy and aim to be a good investment partner in our dealings with our peers and companies we choose to invest in.

Governance is critical and we are led by an independent board of directors equally committed to delivering value through all facets of our business.

INVESTED IN COMMUNITY

Community investment is an integral facet of AIMCo culture. AIMCo is invested in its community by supporting and encouraging employee volunteerism and engagement in a wide variety of causes and campaigns.

As a non-profit organization ourselves, we rely on the generosity of our team to support volunteer and fundraising initiatives for local causes. In 2014, we asked our team to select among many worthy charitable organizations that we would direct our fundraising efforts toward in 2015 and Youth Empowerment and Support Services (YESS) was selected as their charity of choice. We are excited to put our efforts towards helping at-risk and homeless youth rebuild their lives.

Over 750 hours donated by employees in 2014

Festive Meal Hamper donated through the Christmas Bureau of Edmonton

More than 30 volunteers teaching 15 classes for Junior Achievement's Diversity in Action

30 riders on the Heart and Stroke Big Bike Challenge

AIMCo'S COMMUNITY CREW CHAMPIONED A MULTITUDE OF WORTHWHILE CAUSES IN 2014

Cold weather clothing drive to support The Mustard Seed Edmonton

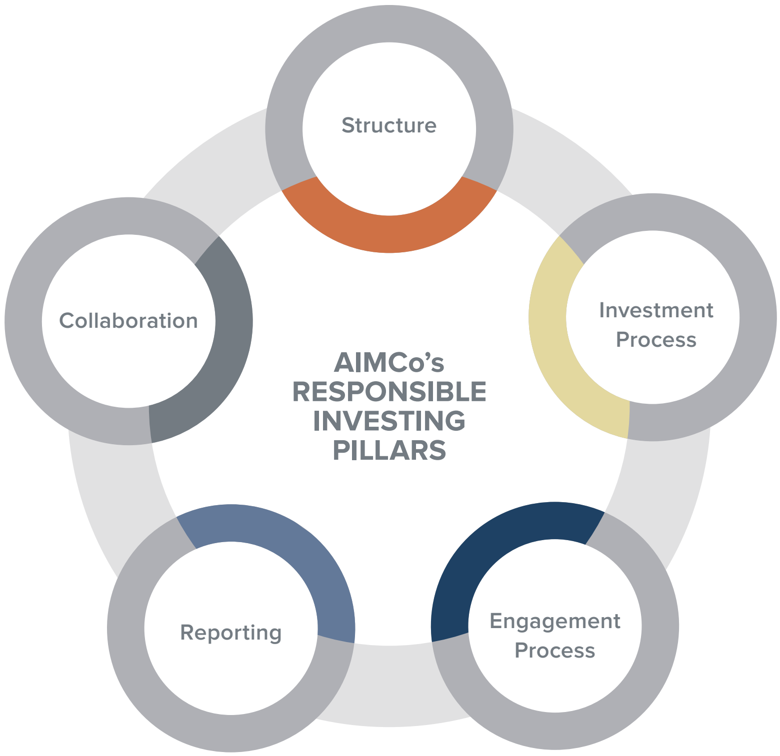
Volunteer support for the Seniors Association of Greater Edmonton

Joining the build of two homes for Habitat for Humanity

Food drive and volunteer support for Edmonton's Food Bank

Junior Achievement of Northern Alberta

Collaboration is one of AIMCo's core values and is critical to the long-term success of any organization. AIMCo is proud to have supported Junior Achievement of Northern Alberta to launch the Diversity in Action program to schools across our community. In 2014, AIMCo employees volunteered to teach the program to ten classes of Grade 7 students, exploring the concepts of conflict resolution, fairness, and the attributes needed to foster teamwork.



AIMCo'S RESPONSIBLE INVESTING PILLARS

AIMCo's approach to Responsible Investment (RI) is guided by our Core Values, our fiduciary duty to clients and our long-term investment horizon. AIMCo integrates environmental, social and governance (ESG) factors into investment analysis and decision-making to better capture risk adjusted returns for our clients.

STRUCTURE

AIMCo's RI governance structure cascades across the entire organization. AIMCo's board reviews and approves AIMCo's RI Policy while all asset classes oversee its implementation. The RI Committee is chaired by the CEO and features a cross-section of senior executives representing all investment functions. The RI committee oversees RI strategy and approves AIMCo's proxy voting guidelines, exclusions guidelines and engagement guidelines on an as needed basis to adapt and appropriately respond to current market trends.

INVESTMENT PROCESS

AIMCo enhances shareholder value on behalf of our Clients by exercising our proxy voting rights at meetings of publicly traded companies around the globe. Voting decisions are based on AIMCo's bespoke proxy voting guidelines, and take unique circumstances and markets into account. AIMCo's RI team considers multiple research inputs and confers with portfolio managers for companies on our strategic watch list before instructing the votes. With respect to other asset classes, AIMCo's Real Estate and our Infrastructure and Timber teams updated their sustainability guidelines in 2014.

PROXY VOTING OVERVIEW

AIMCo voted on 98% of 24,009 ballot proposals in 2014. We supported 36% of shareholder proposals, and voted against 16% of management proposals. AIMCo has experienced a steady increase in the number of shareholder proposals over the last 3 years. A trend of duplicative proposals factored into a net decrease in support for shareholder proposals from 2013 to 2014, from 43% support in 2013 to 36% support in 2014.

YEAR OVER YEAR 2012-2014 PROXY VOTING COMPARISON

CATEGORY	2012	2013	2014
Shareholder Proposals (SHP)	265	382	**409**
AIMCo Support SHP	30%	43%	**36%**
Vote Against Mgt	18%	16%	**16%**
Total Ballots	21,983	22,887	**24,009**

ENGAGEMENT PROCESS

We prefer to exercise 'voice over exit,' to engage with companies regarding ESG issues where possible, rather than to divest our holdings. Our ESG focus areas direct company engagement initiatives including identifying how extractives companies mitigate environmental impacts, supporting worker health and safety across the supply chain and addressing poor corporate governance. We engage with selected companies to identify best and normative ESG practices and enquire about perceived gaps.

REPORTING

AIMCo is committed to disclosure of our RI policies, guiding documents and activities. These are made available on-line through our website, in the AIMCo annual report, in our annual RI report and in our UNPRI Transparency Report. AIMCo's voting record is disclosed on our website shortly after the vote has passed.

COLLABORATION

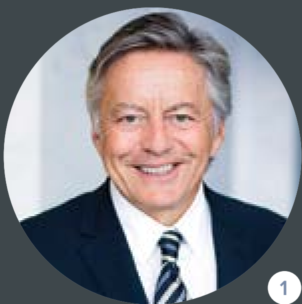
AIMCo is an engaged member of the global RI community and is a signatory to the United Nations backed Principles of Responsible Investment (PRI.) AIMCo enjoys memberships at the Responsible Investment Association (Canada), and sits on the corporate governance committee of Pension Investment Association of Canada (PIAC), the shareholder responsibility committee of International Corporate Governance Network (ICGN) and the public policy committee of Canadian Coalition of Good Governance (CCGG.) AIMCo collaborates with peers in various advocacy initiatives and on some engagements.

ADVOCACY

AIMCo participates in various public policy dialogues in order to advance best ESG practices and to promote Client interests. AIMCo's contributions to advocacy initiatives are posted on our website. AIMCo supports the principle of director independence and board refreshment to encourage board diversity, and prefers flexible target ranges to hard quotas to demonstrate evidence of a rate of increase of women on the board across a reasonable length of time.

Government Funds

AIMCo manages numerous key government accounts that are primarily used to fund the ongoing operations and capital requirements of the province. In aggregate, these funds account for $8.2 billion of AIMCo's assets under management and are invested in fixed income products with a relatively low risk profile ensuring capital preservation and long-term sustainability.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AIMCo is a Crown corporation of the Province of Alberta and is committed to the highest standards of corporate governance.

Board of Directors

1 MAC H. VAN WIELINGEN, CHAIR, since December 2014, is a founder and director of ARC Financial Corp. and a founder and Chairman of ARC Resources Ltd. He is also President of Viewpoint Capital Corporation, a private family-owned investment company, and President of Viewpoint Foundation, a private charitable foundation. In addition, he is a past director of numerous other companies within the energy sector, and is active in various capacities in the community and the not-for-profit sector. Mr. Van Wielingen is a co-founder and Chair of the Canadian Centre for Advanced Leadership (CCAL) at the Haskayne School of Business. He is an Honours' graduate of the Ivey School of Business in finance and has also studied post graduate economics at Harvard University.

2 JOHN T. FERGUSON, VICE CHAIR, is the Founder and Chairman of the Board of Princeton Developments Ltd. and Princeton Ventures Ltd. He is also Chairman of the Advisory Board of the Peter Lougheed Leadership Initiative. Mr. Ferguson is a Member of the Order of Canada and a Fellow of the Alberta Institute of Chartered Accountants and of the Institute of Corporate Directors. He holds a Bachelor of Commerce degree from the University of Alberta in 1964 and received his CA designation from the Institute of Chartered Accountants in 1967.

3 J. RICHARD BIRD retired from Enbridge Inc. in early 2015, having served as Executive Vice President, Chief Financial Officer and Corporate Development, and various other roles, including: Executive Vice President Liquids Pipelines, Senior Vice President Corporate Planning and Development, and Vice President and Treasurer. Mr. Bird serves on the Board of Directors or Trustees of Enbridge Energy Partners L.P., Enbridge Pipelines Inc., Enbridge Income Fund Holdings Inc., Gaz Metro Inc. and Bird Construction Company Inc. He is also a member of the Investment Committee of the University of Calgary Board of Governors. Mr. Bird was named Canada's CFO of the Year for 2010. He holds a Bachelor of Arts degree from the University of Manitoba, and a Masters of Business Administration and PhD from the University of Toronto and has completed the Advanced Management Program at Harvard Business School.

4 GEORGE F. J. GOSBEE is the Chairman & CEO of AltaCorp Capital, an investment bank that is partnered with ATB Financial. Mr. Gosbee is a Co-owner of the Arizona Coyotes and an Alternate Governor on the National Hockey League (NHL) Board of Governors. He is a board member of Arcadia Biosciences.

In 2009, Mr. Gosbee was honoured as one of 200 Young Global Leaders by the World Economic Forum. He has received the Haskayne School of Business' Distinguished Alumni Award and was awarded Entrepreneur of the Year for the Prairie Region by Ernst and Young. Mr. Gosbee has been awarded the Queen's Diamond Jubilee Medal by the Premier of Alberta.

Mr. Gosbee holds a Bachelor of Commerce degree from the University of Calgary. He is a former board member of Chrysler Group LLC in Detroit, a former member of the Canadian Minister of Finance's Economic Advisory Council and a former Director of the TMX Group. He is a Director, and Past Chairman, of the School of Public Policy at the University of Calgary and Past Chairman of the Board for the Alberta College of Art and Design.

5 ROSS A. GRIEVE is the Chairman of the Board of Directors and former Chief Executive Officer of PCL Construction Holdings Ltd. He also serves on the boards of Melcor Developments, Kingsett Capital Fund, Maggnum Ventures Inc, and Inn at the Forks, Ltd. Mr. Grieve has received numerous accolades for his business leadership – most notably, Canada's Outstanding CEO of the Year Award in 2009. He has a BSc in civil engineering from the University of Manitoba.

6 VIRGINIA A. HOLMES is currently the Chair of USS Investment Management Limited and serves on the boards of the U.K. Post Office, Standard Life Investments Ltd., and the Investor Forum CIC. She also sits on the Zurich UK Life Independent Governance Committee. Ms. Holmes is the former Chief Executive Officer of AXA Investment Managers in the U.K. She has a BA from Durham University.

7 HAROLD A. ROOZEN is currently the Chairman and CEO of CCI Thermal Technologies Inc. He is a member of the Canadian Council of Chief Executives, a trustee of the University of Alberta Hospital Foundation, and presently sits on the Board of Directors of ZCL Composites Inc. (TSX).

Mr. Roozen was previously Chair of WIC Western International Communication Ltd., and President of the Allarcom Group of privately held companies. His prior board experience includes Shaw Communications Inc. (TSX/NYSE) until January 2010, Royal Host REIT (TSX) from 2005 to 2006, and the Edmonton Community Foundation from 2001 to 2005. Mr. Roozen has a Bachelor of Commerce degree from the University of Alberta in 1975, and an MBA from Queen's University in 1979.

8 ANDREA S. ROSEN is the former Vice-Chair of TD Bank Financial Group and President of TD Canada Trust. Ms. Rosen serves on the boards of Manulife Financial Inc., Emera Inc. and Hiscox Ltd. Ms. Rosen has an LLB from the Osgoode Hall Law School, an MBA from the Schulich School of Business, York University, and a BA magna cum laude from Yale University.

9 ROBERT L. "JAY" VIVIAN JR. is the former Managing Director of the IBM Retirement Funds. Mr. Vivian is on the Board of Directors and Investment Committee of ICMA-RC, and is the founding Chair of the Investment Committee of the Committee on Investment of Employee Benefit Assets. He is also on the Investment & Pension Subcommittee for the charity United Way Worldwide. He holds a Bachelor of Arts degree in Mathematics from Bowdoin College, a Masters of Business Administration from Harvard Business School, and a CFA® Charter from the CFA Institute.

10 A. CHARLES BAILLIE, O.C. retired from the AIMCo Board of Directors on January 31, 2015, having served as Chair since its inception. Mr. Baillie is the former Chief Executive Officer and Chairman of the Board of Toronto-Dominion Bank, and serves on the boards of TELUS Corp., Canadian National Railway Co. and George Weston Ltd. He was appointed an Officer of the Order of Canada in 2006 and inducted into the Canadian Business Hall of Fame in 2007. He is Chancellor Emeritus of Queen's University and is currently President of the International Festival of Authors. Mr. Baillie is a former Chair of the Canadian Council of Chief Executives. He holds an MBA from Harvard Business School and an Hon. BA from the University of Toronto.

11 CATHY L. WILLIAMS retired from the AIMCo Board of Directors on December 31, 2014. She is the former Chief Financial Officer of Shell Canada Ltd. As a Director of Enbridge Inc., she is Chair of the Human Resources and Compensation Committee and a member of the Audit Committee. Ms. Williams is Co-Chair of the Calgary Poverty Reduction Initiative. She has an LLB from the University of Western Ontario and an MBA from Queen's University.

AIMCo is a Crown corporation of the Province of Alberta and 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 fundamental to AIMCo's vision to enrich the lives of Albertans by building prosperity, security and opportunity across generations. AIMCo is committed to a culture of integrity and accountability in the pursuit of its goals.

BOARD OF DIRECTORS

In accordance with the Alberta Investment Management Corporation Act, the board of directors is responsible for overseeing the management of the business and affairs of AIMCo. All directors are duly appointed to the board by the Lieutenant Governor in Council and must have experience in investment management, finance, accounting or law, or have served as an executive or director with a large, publicly traded company. Individuals should also have, to the extent practicable, experience in executive management of a substantial corporation. All directors are fully independent of management.

Directors are required by statute to act honestly and in good faith with a view to the best interests of the Corporation and, as such, are required to exercise due care, diligence and skill, and manage risk appropriately in their oversight of AIMCo.

BOARD DIVERSITY

AIMCo and its Board of Directors recognize and fully support the aims of diversity and inclusion, for our workforce, our Board and for our investee companies. In assessing board candidates and selecting nominees for the AIMCo Board, the Governance/Nominating committee will consider diversity of skills, experience, geographic background, gender and age. Consistent with the AIMCo Board's commitment to gender diversity and greater representation of qualified women on boards in alignment with the aims of robust board governance, the Board has a stated objective that at least 30% of AIMCo Directors should be women.

BOARD COMMITTEES

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

- The Investment Committee oversees and considers the investment activities, risk management and operations of AIMCo, reviews investment and risk-related reports from management, and votes on specific investment-related matters. The Investment Committee comprises all of the members of the board, with Virginia Holmes serving as Chair.
- The Audit Committee oversees financial reporting processes, development and implementation of internal audit and financial control policies, and compliance with said policies and applicable laws and regulations. It also reviews the implementation of AIMCo's Confidential Reporting policy. The Audit Committee consists of Richard Bird (Chair), John Ferguson, George Gosbee and Harold Roozen.
- The Governance Committee oversees the policies, processes and procedures that comprise AIMCo's corporate governance framework. This includes overseeing terms of reference for the board of directors and each board committee, conducting board evaluations, and generally ensuring the principled, effective continuing operation of the board of directors. The Governance Committee consists of Andrea Rosen (Chair), John Ferguson, George Gosbee, Ross Grieve, Virginia Holmes and Mac Van Wielingen.

- The Human Resources and Compensation Committee oversees the human resources strategy, philosophy and policies of the Corporation and offers insights to ensure these are aligned with corporate objectives. The committee similarly reviews organizational structure, management development and succession, and compensation practices with the support of an external consultant, who is accountable to HRCC. The Human Resources and Compensation Committee consists of Ross Grieve (Chair), Virginia Holmes, Andrea Rosen, Mac Van Wielingen and Jay Vivian.

At every meeting of the board of directors, the board and all committees have in-camera sessions, without management attending.

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 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.

BOARD EVALUATION AND ASSESSMENT

Each year, the directors complete a board self-evaluation questionnaire that is designed to enable the directors to assess their effectiveness as a board in key areas, while eliciting suggestions for improvement. The Chair of the board facilitates this process.

STANDARDS OF CONDUCT FOR DIRECTORS

The board of directors is committed to upholding the highest standards of corporate conduct across all levels of the organization. A number of specific policies have been adopted by the board that outline acceptable standards of conduct for directors, including the director Trading Policy and the director Conflict of Interest Policy.

CODE OF CONDUCT & ETHICAL STANDARDS

AIMCo has established the Code of Conduct and Ethical Standards for officers and employees, which outlines the organization's expectations regarding, amongst other topics, conflicts of interest, gifts and entertainment, confidentiality and personal trading. The Code applies to all AIMCo employees, including executive officers and AIMCo's Board of Directors. Compliance with it is a condition of employment. All compliance exceptions, if any, are reported to the AIMCo board of directors Audit Committee and dealt with as appropriate.

CONFIDENTIAL REPORTING POLICY

In accordance with governance best practices, AIMCo has an established Confidential Reporting policy and the accompanying reporting service provide all AIMCo employees, service providers and clients with the ability to confidentially report any failure to comply with the Code of Conduct and Ethical Standards.

BOARD ATTENDANCE AND REMUNERATION

The board held five regular meetings in fiscal 2014/15, three in Edmonton, one in Calgary and one in Toronto. In addition, the board held two special meetings conducted by teleconference. The Investment Committee held nine meetings, four of which were conducted by teleconference.

The following table 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.

DIRECTOR ATTENDANCE – APRIL 1, 2014 TO MARCH 31, 2015

	BOARD OF DIRECTORS	BOARD OF DIRECTORS SPECIAL MEETINGS	AUDIT COMMITTEE	HUMAN RESOURCES COMMITTEE	HUMAN RESOURCES COMMITTEE SPECIAL MEETINGS	GOVERNANCE COMMITTEE	INVESTMENT COMMITTEE	INVESTMENT COMMITTEE SPECIAL MEETINGS[1]
Baillie, Charles	5/5	2/2	2/2	5/5	1/1	5/5	5/5	3/4
Bird, Richard	4/5	2/2	4/5	–	–	1/1[2]	4/5	2/4
Ferguson, John	5/5	2/2	5/5	–	–	5/5	5/5	4/4
Gosbee, George	3/5	2/2	4/5	–	–	3/5	4/5	2/4
Grieve, Ross	5/5	2/2	–	5/5	1/1	5/5	5/5	3/4
Holmes, Virginia	5/5	2/2	–	5/5	0/1	5/5	5/5	4/4
Roozen, Harold	5/5	2/2	4/5	–	–	–	4/5	3/4
Rosen, Andrea	5/5	2/2	–	5/5	1/1	5/5	5/5	4/4
Van Wielingen, Mac	5/5	1/2	1/1[3]	5/5	1/1	5/5	5/5	4/4
Vivian, Robert ("Jay")	5/5	2/2	1/1[4]	5/5	1/1	5/5[5]	4/5	3/4
Williams, Cathy[6]	4/4	2/2	4/4	–	–	1/1[7]	4/4	2/4

1 Special Meetings of the Investment Committee include teleconference meetings held outside of the regularly scheduled meetings.

2 Richard Bird attended the November 20, 2014 Governance Committee meeting as a guest at the request of the Committee Chair.

3 Mac Van Wielingen attended the January 22, 2015 Audit Committee meeting as a guest at the request of the Committee Chair.

4 Jay Vivian attended the January 22, 2015 Audit Committee meeting as a guest at the request of the Committee Chair.

5 Jay Vivian regularly attends the Governance Committee meetings as a guest at the request of the Committee Chair.

6 Cathy Williams resigned from the AIMCo Board effective December 31, 2014.

7 Cathy Williams attended the November 20, 2014 Governance Committee meeting as a guest at the request of the Committee Chair.

BOARD REMUNERATION

Directors' compensation is prescribed by provincial 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 when these are held on the same schedule as regular board meetings.

BOARD REMUNERATION – APRIL 1, 2014 TO MARCH 31, 2015

	BOARD OF DIRECTORS	AUDIT COMMITTEE	HR 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

REMUNERATION TOTALS – APRIL 1, 2014 TO MARCH 31, 2015

	BASE RETAINER (ANNUAL)	CHAIR RETAINER (ANNUAL)	VICE CHAIR RETAINER (ANNUAL)	MEETING FEES ($1,000 PER MEETING)	TRAVEL REMUNERATION	TOTALS
Baillie, Charles	$ 16,699	$ 41,747	$ –	$ 28,000	$ 4,000	**$ 90,446**
Gosbee, George[1]	$ 20,000	$ 1,087	$ 8,349	$ 18,000	$ 1,000	**$ 48,436**
Bird, Richard[2]	$ 20,000	$ 2,500	$ –	$ 17,000	$ 1,000	**$ 40,500**
Ferguson, John[3]	$ 20,000	$ –	$ 1,616	$ 26,000	$ 1,000	**$ 48,616**
Grieve, Ross[4]	$ 20,000	$ 4,158	$ –	$ 26,000	$ 1,000	**$ 51,158**
Holmes, Virginia	$ 20,000	$ 7,500	$ –	$ 26,000	$ 10,000	**$ 63,500**
Roozen, Harold	$ 20,000	$ –	$ –	$ 18,000	$ 1,000	**$ 39,000**
Rosen, Andrea	$ 20,000	$ 7,500	$ –	$ 27,000	$ 3,000	**$ 57,500**
Van Wielingen, Mac[5]	$ 20,000	$ 11,424	$ –	$ 27,000	$ 1,000	**$ 59,424**
Vivian, Robert ("Jay")	$ 20,000	$ –	$ –	$ 25,000	$ 10,625	**$ 55,625**
Williams, Cathy	$ 15,000	$ 6,413	$ –	$ 17,000	$ 1,000	**$ 39,413**
Totals	**$ 211,699**	**$ 82,329**	**$ 9,965**	**$ 255,000**	**$ 34,625**	**$ 593,618**

1 George Gosbee was provided with remuneration as Audit Committee Chair in error for the quarter ending December 31, 2014; the amount of $1,086.96 was added to his total remuneration for that quarter and will be removed from the payment made for the quarter ending June 30, 2015. Mr. Gosbee resigned as Vice-Chair of the AIMCo Board effective January 31, 2015; his retainer was calculated on a pro rata per diem basis for the quarter ending March 31, 2015.

2 Richard Bird was appointed as Audit Committee Chair on November 22, 2014. He should have received remuneration for this role on a pro rata per diem basis for the quarter ending December 31, 2014; however, it was paid to George Gosbee in error. This amount will be added to his total remuneration for the quarter ending June 30, 2015.

3 John Ferguson was appointed as Vice-Chair of the AIMCo Board effective January 31, 2015; his retainer was calculated on a pro rata per diem basis for the quarter ending March 31, 2015.

4 Ross Grieve was appointed as Chair of the Human Resources Committee effective September 11, 2014. His retainer was calculated on a pro rata per diem basis for the quarter ending September 30, 2014.

5 Mac Van Wielingen resigned as Chair of the Human Resources Committee effective September 20, 2014. His Committee Chair retainer was calculated on a pro rata per diem basis for the quarter ending September 30, 2014. Mr. Van Wielingen was also appointed as Chair of the AIMCo Board effective January 31, 2015; his Chair retainer was calculated on a pro rata per diem basis for the quarter ending March 31, 2015.

Compensation Discussion & Analysis

HUMAN RESOURCES AND COMPENSATION COMMITTEE MANDATE

AIMCo's Vision is "Enriching the lives of Albertans by building prosperity, security and opportunity across generations".

We are a world-class investment management organization. We invest globally and source top performing talent from around the world. To meet these commitments, AIMCo must execute both a forward thinking and relevant people strategy and a compensation system that enables us to recruit and retain investment and operating professionals who are exceptionally capable of managing and delivering a superior risk-adjusted return on over 80 billion dollars of assets under management.

The Human Resources and Compensation Committee (HRCC) hold a very important role in enabling AIMCo's Board in meeting its fiduciary and governance responsibility by:

- approving a long-term People Strategy,
- overseeing an effective executive succession planning program,
- establishing and assessing executive performance, compensation and compensation principles,
- reviewing strategic initiatives that influence overall organizational health, culture, effectiveness, engagement, retention and sustained long-term performance.

DECISIONS AND INITIATIVES OF THE HUMAN RESOURCES & COMPENSATION COMMITTEE

Key decisions and initiatives undertaken by HRCC in 2014 included:

- Undertaking Chief Executive Officer succession, culminating in the appointment of Mr. Kevin Uebelein on January 5, 2015.
- Reviewing CEO performance and compensation outcomes for 2014, and reviewing the CEO's recommendations for performance assessment and compensation outcomes for CEO direct reports,
- Recommending for approval, the Annual Incentive Plan (AIP) pool amounts and payouts for eligible employees. Similarly, approving the Long-term Incentive Plan (LTIP) payouts (issued January, 2011 and vested on December 31, 2014),
- Recommending for approval, the Special Long-term Incentive Plan (SLTIP) grants based on the achievement, for selected individuals, of superior investment performance. These SLTIP have a four-year vesting period and won't mature until December 31, 2018,
- Reviewing and recommending for approval, the investment, corporate and individual performance objectives of the executive team and ensuring alignment to AIMCo's longer term vision and strategy,
- Reviewing and providing input into AIMCo's updated five-year strategic plan,
- Reviewing, approving and monitoring various activities associated with AIMCo's People Strategy.

EXECUTIVE COMPENSATION PHILOSOPHY

AIMCo's compensation program is critical to our ability to attract, retain and incentivize employees who have the talent to deliver a multi-Client mandate with assets in excess of $80 billion. We invest globally, and hire globally with headquarters in Edmonton and offices in Toronto and London, U.K. This enables us to work and engage directly within the communities and with the constituents whom we serve with our active investment mandate.

We align to the following compensation philosophy and principles:

Alignment with Vision

Our compensation program must be aligned with our mandate and aim to be a world-class investment management organization. We invest globally and we source talent from around the world, competing not only regionally but beyond North America for investment management, risk management, investment operations and corporate leadership talent.

Pay Based on Performance

Our compensation program is heavily weighted towards the achievement, or surpassing of, certain defined goals, with an appropriate emphasis on all measures of performance. This means assessing results in the following categories; total fund, asset class (where appropriate), corporate objectives and individual objectives. The largest part of executive compensation is variable, which means that it is tied directly to achievements in each of these areas. Performance based compensation for the executive team, as a percentage of total direct compensation, is between approximately 50 to 71% if paid at target and 70 to 85% if paid at maximum. This means that a considerable amount of compensation for an executive can only be paid if performance is demonstrated and sustained.

Sustained (long-term) Performance

Our executive and investment management team are encouraged to be oriented to the long-term, to develop the human resource capabilities, infrastructure, systems and processes to achieve sustainable long-term superior performance. The annual incentive plan (AIP) and long-term incentive plan (LTIP), and special long-term incentive plan (SLTIP) are measured over rolling four year cycles.

Fairness Based on Market-Comparables

All employees are exercising a choice when they join AIMCo and in staying and contributing to our vision. A key factor in hiring and retention is the fairness of compensation as the best people available for any job will have alternatives. Therefore we must be competitive with those alternatives. We regularly assess compensation for all job positions against market comparables based on independent expert advice. For the executive team, this independent expertise is through consultants who are retained directly by our Human Resource and Compensation Committee.

Incentivize Successful Active Investment Management

Performance based compensation relating to investment returns is driven by the value added over predetermined market benchmarks, again over rolling four year cycles. The concept is to reward for successful active management sustained over multiple years. Since 2009, AIMCo's total cumulative market returns have been $36.5 billion and the active value-added portion has been $2.5 billion

Performance Includes Qualitative Factors

A meaningful component of the annual incentive payment relates to qualitative factors. This is captured in the corporate objectives, individual objectives and includes, for the executive team, the quality of relationships with Clients and more generally, all stakeholders. Depending on the position and responsibilities, it also would include meeting objectives relating to infrastructure projects, communication initiatives, and creating and establishing high levels of employee engagement, among other objectives.

IMPACT OF PERFORMANCE RESULTS ON COMPENSATION

AIMCo's value-added calculations are net of external and internal costs.

A commitment to internal investment and asset management (as opposed to having a considerable portion of the assets managed by external investment managers) will increase total compensation, but this approach remains considerably more cost effective for our Clients. For the period since 2009, we have paid out approximately 5.1% of net value-added for all internal performance compensation. In contrast we pay approximately 18% as performance fees to external managers.

Cost management is critical to AIMCo's ability to meet its mandate. AIMCo uses CEM Benchmarking Inc. for analyzing and comparing AIMCo's costs to that of its Canadian and International peers. CEM provides AIMCo with a comprehensive analysis of investment management costs and detailed comparisons with a customized peer group comprising the largest Canadian investment fund managers. Their global benchmarking database includes over 350 public and private sector funds and represents nearly $7 trillion in total assets. AIMCo continues to be reported as a relatively low cost, value-added provider of investment services for its Clients.

AIMCo has demonstrated strong investment performance in recent years, and has contributed approximately $2.5 billion dollars in net value-added since 2009 (value-added defined as the amount of value earned in excess of the benchmark, net of fees and operating costs). With a compensation philosophy and program that reinforces sustained long-term performance over a four-year period. This strong investment performance is reflected in the performance compensation paid in 2014.

AIMCo's Long-Term Incentive Plan (LTIP) is in its third year of payout since implementation in 2009. Value-added return performance over the 2011–2014 period was reflected in the LTIP values paid in 2014.

The Human Resources & Compensation Committee believe that the compensation awarded for 2014 appropriately reflects both the long-term investment performance and the Board of Director's assessment of how AIMCo's executive team performed against their corporate and individual objectives. This outcome reinforces the statement made earlier that AIMCo has a pay for performance philosophy heavily weighted to achieving specific and measurable deliverables.

To assist with the execution of compensation related responsibilities, HRCC works with an independent compensation advisor, Hugessen Consulting. Hugessen Consulting is retained by and directly accountable to the HRCC to advise and counsel on the market competitiveness and appropriateness of AIMCo's compensation policies and performance metrics. Final decisions pertaining to executive compensation rest with HRCC and the Board. In support of the compensation outcomes for 2014, the following is provided by Hugessen Consulting:

> *"In our opinion, the total amount of incentive payments in respect of 2014 is reasonable in the context of market, and taking into account AIMCo's performance in 2014 as well as the three prior years (2011, 2012, 2013) where 4-year investment performance impacts the AIP, LTIP and Special LTIP.*
>
> *We believe that the compensation program at AIMCo continues to be generally aligned with market practices"*

COMPONENTS OF COMPENSATION

The following shows all of the core elements of AIMCo's Compensation Program.

COMPONENT	PROGRAM INTENT	PLAN FUNDAMENTALS	VARIABILITY WITH PERFORMANCE
Base Salary	Compensates for the execution of core duties	Annual budget based upon external survey market data	Fixed (low variability)
Annual Incentive Plan (AIP)[1]	Annual plan that rewards superior investment performance and individual contributions	Payouts are capped at 2x target, based upon (1) value added investment performance over a four-year period, weighted to Total Fund, and Asset Class (where applicable), and (2) Individual performance aligned to the achievement of corporate objectives.	High Variability
Long-term Incentive Plan (LTIP)[2]	Intended to reward superior and sustained investment performance, reinforcing long-term nature of investment strategy and providing retention for high performers	Payouts are capped at 3x target, based upon Total Fund returns and value -added investment performance over a four-year period, weighted to Total Fund and Asset Class (where applicable).	High Variability
Special Long-term Incentive Plan (SLTIP)[2]	Intended to reward for superior and sustained investment performance over an 8 year period	Consist of an additional conditional LTIP grant, made when uncapped investment performance over any LTIP period (four years) exceeds the cap of 3x. Once granted, the SLTIP has the same mechanics as the LTIP.	High Variability
Restricted Fund Units (RFU)[3]	To bridge "gap" period between commencement of employment and LTIP vesting.	Vary depending upon circumstance	Low Variability

1 Applies to all non-unionized employees

2 Where applicable

3 Granted on a case-by-case basis only

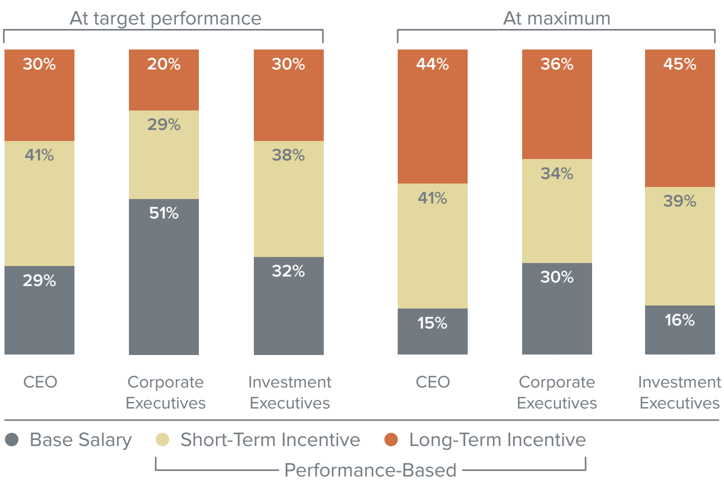
MIX OF COMPENSATION

Base Salary

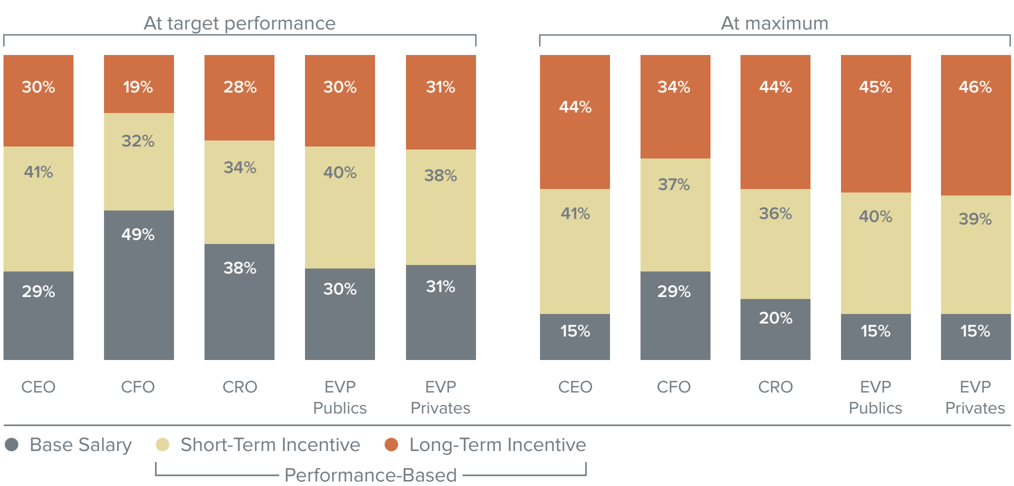
Executive base salaries compensate for the execution of core duties. In determining the base compensation, certain variables such as ability, performance expectations, experience and market competitiveness are taken into consideration. In undertaking all of its compensation responsibilities, the HRCC relies upon relevant reference market data. This data includes, but is not limited to, other Canadian large pension funds for the benchmarking of compensation for all executive roles, with emphasis on investment related positions. Non-investment related executive roles will include such comparisons, as well as relevant market and geographic specific data.

All executives have a significant component of their compensation tied to performance. The allocation is illustrated below.

EXECUTIVE COMPENSATION



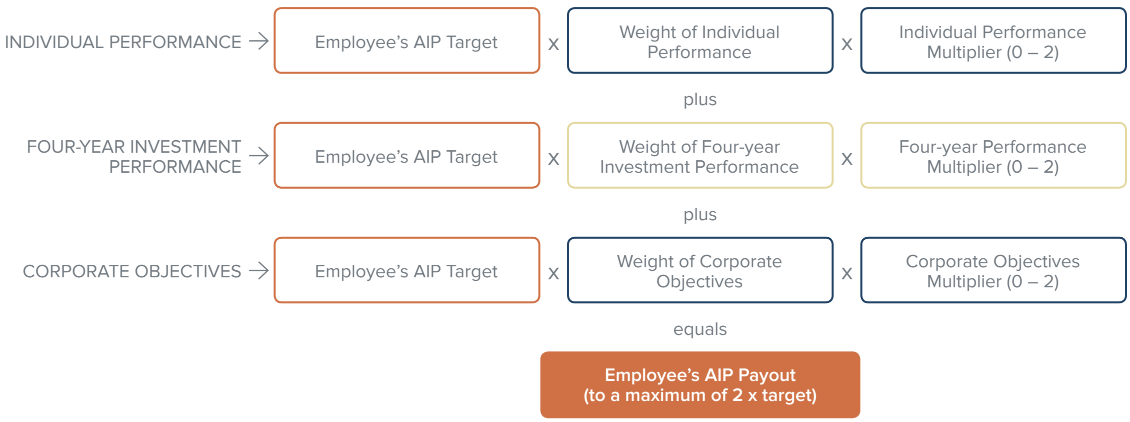
For those specifically reported in this Annual Report, their mix of compensation (demonstrated at target and at maximum) is as follows:



PERFORMANCE-BASED COMPENSATION ELEMENTS

Annual (short-term) Incentive Plan (AIP)

All non-union employees participate in the AIP. AIP is comprised of two components: achievement against annual individual objectives and value-added investment performance over a four-year period. A third component for the executive team only (excluding the CEO in 2014) adds achievement against corporate objectives. Target awards are set as a percentage of salary and each component of AIP comprises a percentage of this target to which a multiplier is applied. At the conclusion of the performance year, AIMCo will assess its value-added performance outcome against the intended value-added target, which results in a Performance Factor calculation. Note that the performance factor has an applied floor, and the AIP performance multiplier is capped at two times the target value.



Individual Performance: Personal objectives are set at the beginning of the year and align with the corporate strategy and goals of the organization. Performance against these objectives is measured and results in a performance multiplier ranging from zero to two being applied to this component of AIP.

Four-Year Investment Performance: The value-added performance of AIMCo's Total Fund (and each asset class where relevant) compared to AIMCo investment benchmarks and averaged over a four-year rolling cycle (with a performance floor in place) results in the investment performance multiplier. The applied investment performance multiplier can range from zero to two for this component of AIP.

Corporate Objective Performance: The HRCC recommends to the AIMCo Board the corporate objectives of the executive team. These corporate objectives are centered on AIMCo's Key Success Drivers of: Strategic Performance, Investment Performance, Client Satisfaction, Financial & Operational Performance and Doing Business the Right Way/ People. The Board determines the appropriate multiplier to apply based upon achievement of these objectives. The corporate objective multiplier can range from zero to two.

Long-term Incentive Plan (LTIP)

The Long-Term Incentive Plan supports AIMCo's goal of superior and sustained performance and reinforces the long-term nature of investment strategy. The plan rewards value-added performance over the next four-years at the AIMCo Total Fund level and, in the case of investment professionals, at the asset class level (with a performance floor in place). The plan also provides a retention element for strong performers since they vest and payout at the end of a four-year cycle. Grants are issued to senior level, non-unionized employees.

LTIP grants are set as a percentage of base salary and issued at the beginning of the calendar year. A multiplier, similar in nature to the investment performance multiplier for AIP, is applied at the end of the four-year vesting period. The award value is also increased or decreased based upon the cumulative rate of return of AIMCo's Total Fund for the period. Similar to the AIP plan, the performance factor has an applied floor.

Employee's LTIP Grant x Four-year Performance Multiplier x Total Fund Cumulative Rate of Return = LTIP Payout (to a maximum of 3 x grant)

Four-Year Investment Performance: The multiplier for AIMCo Total Fund is determined using the same methodology as the AIP Total Fund multiplier. For investment professionals, the multiplier is based on a 60% Total Fund and 40% Asset Class weighting.

AIMCo Total Fund Four-Year Cumulative Rate of Return: This amount will increase or decrease the potential LTIP payout. The payout is capped to a maximum of three times the original LTIP grant value.

Special Long-Term Incentive Plan (SLTIP)

Just as the LTIP rewards superior performance over the long-term, Special LTIP grants are an additional conditional grant made when the unfloored investment performance over any LTIP period exceeds the cap of three times target. The additional grant is made at the end of the original LTIP grant's four-year cycle. An SLTIP grant cannot exceed the original LTIP grant upon which it is based. Once granted, the SLTIP has exactly the same mechanics as the LTIP described above.

PERFORMANCE WEIGHTINGS UNDER AIP AND LTIP FOR NAMED EXECUTIVE OFFICERS

	TYPE OF AWARD	INDIVIDUAL PERFORMANCE	AIMCo TOTAL FUND	ASSET CLASS	CORPORATE OBJECTIVES
CEO	AIP	50%	50%	N/A	N/A
	LTIP	N/A	100%	N/A	N/A
CFO	AIP	30%	60%	N/A	10%
	LTIP	N/A	100%	N/A	N/A
CRO	AIP	30%	60%	N/A	10%
	LTIP	N/A	100%	N/A	N/A
EVP Public Market Investments, EVP Private Investments	AIP	30%	30%	30%	10%
	LTIP	N/A	60%	40%	N/A

Restricted Fund Units (RFU)

RFUs are a notional grant, the value of which fluctuates with the overall return of the AIMCo Total Fund. RFUs are granted on a case-by-case basis and are issued to bridge the period between commencement of employment and LTIP vesting or, in some cases, as necessary to hire executives who forfeited pending compensation commitments from previous employers.

Pension

Eligible employees within AIMCo who commenced employment prior to July 1, 2008 (who at the time would have therefore worked for the Government of Alberta) participate in either the Management Employees Pension Plan or the Public Service Pension Plan (both of which are defined benefit pension plans), with some employees also eligible to participate in a supplementary retirement plan. All eligible employees hired after July 1, 2008 are required to participate in a defined contribution pension plan sponsored by AIMCo, with some employees also eligible to participate in a defined contribution supplementary retirement plan sponsored by AIMCo.

All plans require contributions by both the employee and AIMCo.

Benefits and other Compensation

A broad range of market competitive benefits are provided to employees, including health and dental coverage, short-term and long-term disability insurance, travel insurance, group life insurance, critical illness insurance, a learning and wellness benefit and subsidized public transit. In the case of the executives, annual medical assessments are mandatory.

CORPORATE AND INVESTMENT PERFORMANCE RESULTS

Incentive compensation as detailed above is based on performance against predetermined individual annual objectives, corporate objectives, and sustained value-added investment performance against AIMCo investment benchmarks. Compensation details are disclosed for five named executive officers. This group is comprised of the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Investment Officer (formerly the Executive Vice President, Public Investments), and the Executive Vice President, Private Investments.

Corporate Objectives

The executive team establishes the corporate goals and objectives for the year. These are then presented to and approved by the Board. Individual objectives for all employees are aligned to and support the corporate objectives. Based on the HRCC's review and recommendations and the Board's assessment, management achieved the corporate objectives for 2014.

Four-Year Investment Performance

The target value-added performance for 2014 was $269 million above benchmark and net of all external fees and operating expenses. Meeting this target would result in an investment performance factor of “1.0” for the year. AIMCo strives to achieve a stretch goal of three-times target each year. Incentive compensation payouts for 2014 reflect the AIMCo Total Fund performance over the four-year period beginning January 1, 2011, and ended December 31, 2014. The cumulative net value-added investment performance over this period was $2.200 billion.

AIMCo TOTAL FUND PERFORMANCE, ACTUAL 2011 TO 2014 AND CUMULATIVE RESULTS

CALENDAR YEAR	TARGET VALUE-ADDED[1] ($ MILLIONS)	AIMCo NET ACTUAL VALUE-ADDED[2] ($ MILLIONS)	ANNUAL INVESTMENT PERFORMANCE FACTOR[3]
Actual 2014	269.0	-81.5	-0.30
Actual 2013[4]	266.7	426.9	1.60
Actual 2012[4]	200.0	1,244.9	6.22
Actual 2011[4]	166.7	609.9	3.66
Cumulative – 4 year	902.3	2,200.3	4-Yr Avg 2.80

1 Target is value-added above benchmark

2 AIMCo Net Value-Added is after operating costs and external management fees

3 Annual Investment Performance Factors are averaged over a four-year cycle to calculate the AIP performance multiplier

4 Actual 2014 value-added for investment performance purposes includes a one-time adjustment of $437 million due to the revaluation of certain insurance-related investments made in prior years. Historic value-added was adjusted to reflect the impact of these changes and value-added for compensation purposes prior to 2014 declined as a result.

AIMCo TOTAL INVESTMENT RETURNS SINCE 2009

CALENDAR YEAR	TOTAL INVESTMENT RETURN ($ MILLIONS)
Actual 2014	7,592
Actual 2013	8,334
Actual 2012	6,548
Actual 2011	3,155
Actual 2010	5,169
Actual 2009	5,694
Cumulative Total	36,492

Investment performance over the past four years resulted in AIP investment performance multipliers of 2.0 for the CEO and other Named Executive Officers

Asset class performance is a significant component of the investment professionals' compensation. The EVP, Public Markets and EVP, Private Investments are compensated based on the aggregate performance of individual asset classes that they have overall responsibility for. The investment performance of their respective aggregates is summarized below.

ASSET CLASS PERFORMANCE, 2011 TO 2014

CALENDAR YEAR	PRIVATE INVESTMENTS	PUBLIC MARKET INVESTMENTS
2014	Did not meet target	Exceeded target
2013[1]	Did not meet target	Exceeded target
2012[1]	Did not meet target	Exceeded target
2011[1]	Exceeded target	Did not meet target

1 Aggregated based on 2014 asset class reporting structure

Investment performance over the past four years resulted in an AIP performance multiplier at the maximum 2.0 for the Total Fund component and a range of 0.0 to 2.0 for the asset class components where relevant. The LTIP performance multiplier was 2.8 for the CEO, CFO, and CRO, and ranged from 2.0 to the maximum of 3.0 for the other named executive officers. The Total Fund investment performance multiplier for 2011-2014 period has decreased over the 2010-2013 multiplier due to the 1.15 performance factor for 2010 falling off and being replaced by the -0.30 factor for 2014 in the calculation of the four-year average. The 2014 performance factor will continue to have a dampening effect on future AIP and LTIP performance multipliers through 2017.

ADJUSTMENTS TO PERFORMANCE PAYMENTS OR FORFEITURE

The Chief Executive Officer has authority to adjust a performance payment for an executive, predominately relating to individual performance. Similarly, the Board of Directors, through HRCC, has the authority to amend and/or terminate both the performance compensation plans, or the awards provided to an individual in any given year. Measures are also in place to ensure forfeiture or recovery of previous payments in circumstances such as restatement of financial results.

SUMMARY COMPENSATION

The Summary Compensation table, opposite, shows the remuneration for the Named Executive Officers over the past three fiscal years. All amounts in the table reflect compensation in or in respect of the fiscal year it was earned. To illustrate alignment between incentive plan compensation and performance, AIP and LTIP amounts are reported for the year they were earned rather than the year they were paid.

SUMMARY COMPENSATION[1]

			INCENTIVE PLAN COMPENSATION ($)							
					FOUR-YEAR INVESTMENT PERFORMANCE					
NAME AND POSITION	FISCAL YEAR	BASE SALARY[2]	AIP ANNUAL INDIVIDUAL OBJECTIVES[3]	AIP CORPORATE OBJECTIVES[3]	AIP INVESTMENT COMPONENT[3]	LTIP[4]	RFU[5]	PENSION CONT.[6]	ALL OTHER[7]	TOTAL ($)
Kevin Uebelein[8] CEO *(started Jan. 5, 2015)*	**2015**	**121,475**					0	9,718	5,167	136,360
Leo de Bever[9] CEO *(ended Dec. 31, 2014)*	**2015**	**375,000**	**405,411**		**592,837**	**1,500,000**	**0**	**87,308**	**767,818**	**3,728,374**
	2014	500,000	589,167		729,167	1,500,000	0	64,667	25,749	3,408,750
	2013	500,000	250,000		700,000	1,500,000	0	64,667	33,794	3,048,461
Jacquelyn Colville[10] CFO	**2015**	**270,400**	**105,456**	**21,970**	**210,912**	**143,750**	**0**	**28,392**	**11,969**	**792,849**
	2014	262,600	151,400	21,125	202,800	0	0	24,950	9,515	672,390
	2013	237,487	91,740		118,260	0	0	22,007	11,271	480,765
Dale MacMaster[11] EVP Public Markets	**2015**	**349,477**	**328,114**	**57,940**	**527,181**	**715,500**	**0**	**57,401**	**14,339**	**2,049,952**
	2014	331,088	264,870	55,181	529,740	715,500	0	49,561	13,747	1,959,687
	2013	306,542	173,700		694,800	300,000	0	47,128	20,037	1,542,207
Robert Mah[12] EVP Private Markets	**2015**	**333,540**	**156,347**	**52,116**	**262,434**	**693,770**	**0**	**39,763**	**11,815**	**1,549,785**
	2014	328,635	122,625	51,094	328,064	0	0	37,361	10,732	878,511
	2013	306,542	114,656		426,344	0	0	34,194	9,634	891,370
John Osborne CRO	**2015**	**242,050**	**65,354**	**27,231**	**232,474**	**506,250**	**0**	**43,573**	**12,134**	**1,129,066**
	2014	236,763	79,313	26,437	253,800	506,250	0	38,619	17,977	1,159,159
	2013	227,083	60,750		236,250	300,000	0	35,999	22,879	882,961

1 All amounts shown in the Summary Compensation table reflect compensation earned to the named executive in, or in respect of, the current fiscal year. Incentive compensation is paid in cash in the year following the year it is earned.

2 Base Salary consists of all regular pensionable base pay earned.

3 Annual Incentive Plan's Individual Objectives, Corporate Objectives, and Investment Component target awards are set as a percentage of salary to which a multiplier is applied. The multiplier is based on individual performance, corporate performance, and actual investment performance (AIMCo Total Fund and asset class where applicable) respectively for the period actively worked, and cannot result in a payout greater than two times the target award. AIP is accrued based on goal attainment for the calendar year and paid in the subsequent period.

4 Long Term Incentive Plan consists of amounts that became eligible for payment in the year and paid in a subsequent period. LTIP grants are awarded at the outset of each year and are paid out at the end of a four-year cycle. A multiplier is applied to the LTIP grant based on investment performance (AIMCo Total Fund and asset class where applicable) as compared with specified benchmarks and the Total Fund's rate of return over the four-year performance period. LTIP payouts cannot exceed a maximum of three times the initial grant amount.

5 Restricted Fund Units are a grant that fluctuates in value according to Fund performance. RFU's have time horizons of one-to-three years for vesting provisions.

6 AIMCo makes contributions to the defined benefit and defined contribution pension plans and related supplementary pension plans. Under the registered DC plan employees contribute up to 4% of annual eligible earnings and AIMCo contributes up to 8%, up to the maximum allowed under the Income Tax Act (Canada). Under the supplementary pension plan, the same contribution formula is applied to the eligible earnings in excess of the maximum eligible earnings under the registered plan.
Employees that transferred from AIMCo's predecessor organization were provided the option of maintaining membership in a defined benefit pension plan and the related supplementary pension plan. Both AIMCo and participating employees contribute to the funding of the plans. An actuarial valuation for funding purposes is prepared at least every three years. The contributions to all plans are outlined in the Pension Plan Contributions table.

7 All other compensation consist of severance, lump sum payments, and the Corporation's share of all employee benefits and contributions or payments made on behalf of employees, statutory contributions, and health plan coverage.

8 The incoming Chief Executive Officer, Kevin Uebelein, commenced employment with the Corporation on January 5, 2015.

9 The outgoing Chief Executive Officer, Leo de Bever, ceased employment with the Corporation on December 31, 2014. According to the terms of Mr. de Bever's employment contract, LTIP grants that are unvested when the CEO ceases to be employed by the Corporation continue to accrue and are payable after the normal vesting period of the grant.

10 Jacqueline Colville became CFO on June 18, 2012. Amounts presented are for the incumbent for the full year.

11 Dale MacMaster was appointed CIO on January 5, 2015. Previously, he was the Executive Vice President, Public Investments. Amounts presented are for the incumbent for the full year.

12 Robert Mah was appointed Executive Vice President, Private Investments on June 18, 2012. Previously he was Senior Vice President, Infrastructure and Timber Investments. Amounts presented are for the incumbent for the full year.

LONG-TERM INCENTIVE AWARDS AND ESTIMATED FUTURE PAYOUTS

LTIP awards are granted at the start of a calendar year and vest at the end of a four-year cycle. The table below shows for each Named Executive Officer the LTIP and SLTIP granted but not yet vested, the maximum potential payout, along with the their currently estimated future payout. The future payouts are estimated based on:

- Actual performance multipliers for 2012, 2013, and 2014, and pro forma multipliers of 1.0 (target) for future years.
- Actual AIMCo Total Fund rates of return for 2012, 2013, and 2014, and no assumed growth in future years.

LONG-TERM INCENTIVE AWARDS AND ESTIMATED FUTURE PAYOUTS

NAME AND POSITION	YEAR OF GRANT	TYPE OF AWARD	AWARD TARGET VALUE[1]	MAXIMUM VALUE AT TIME OF GRANT[2]	ESTIMATED FUTURE PAYOUTS AT THE END OF YEARS[3]				
					2015	2016	2017	2018	TOTAL
Kevin Uebelein	**2015**	**LTIP**	**500,000**	**1,500,000**				**500,000**	**500,000**
	2015	**RFU**	**375,000**		**125,000**	**125,000**	**125,000**		**375,000**
Leo de Bever	2014	LTIP	125,000	375,000			92,664		92,664
CEO *(ended Dec. 31, 2014)*	2014	SLTIP	125,000	375,000			92,664		92,664
	2013	LTIP	500,000	1,500,000		508,794			508,794
	2013	SLTIP	492,978	1,478,934		501,649			501,649
	2012	LTIP	500,000	1,500,000	1,448,677				1,448,677
Jacquelyn Colville	**2015**	**LTIP**	**108,200**	**324,600**				**108,200**	**108,200**
CFO	**2015**	**SLTIP**	**48,857**	**146,571**				**48,857**	**48,857**
	2014	LTIP	108,200	324,600			80,210		80,210
	2013	LTIP	104,000	312,000		105,824			105,824
	2012	LTIP	55,000	165,000	159,354				159,354
Dale MacMaster	**2015**	**LTIP**	**375,000**	**1,125,000**				**375,000**	**375,000**
EVP Public Markets	**2015**	**SLTIP**	**238,500**	**715,500**				**238,500**	**238,500**
	2014	LTIP	343,400	1,030,200			394,272		394,272
	2014	SLTIP	238,500	715,500			273,832		273,832
	2013	LTIP	327,000	981,000		677,972			677,972
	2013	SLTIP	238,500	715,500		494,484			494,484
	2012	LTIP	240,000	720,000	720,000				720,000
Robert Mah	**2015**	**LTIP**	**333,500**	**1,000,500**				**333,500**	**333,500**
EVP Private Markets	**2015**	**SLTIP**	**0**	**0**				**0**	**0**
	2014	LTIP	333,500	1,000,500			185,005		185,005
	2013	LTIP	327,000	981,000		118,935			118,935
	2012	LTIP	240,000	720,000	401,834				401,834
John Osborne	**2015**	**LTIP**	**181,500**	**544,500**				**181,500**	**181,500**
CRO	**2015**	**SLTIP**	**164,891**	**494,673**				**164,891**	**164,891**
	2014	LTIP	181,500	544,500			134,548		134,548
	2014	SLTIP	168,750	506,250			125,096		125,096
	2013	LTIP	176,300	528,900		179,401			179,401
	2013	SLTIP	98,596	295,788		100,330			100,330
	2012	LTIP	168,750	506,250	488,928				488,928

1 Represents the target value at the time of the grant; for LTIP and SLTIP, no award is payable if performance is below a certain level.

2 Represents the maximum value payable at the end of the four-year vesting period.

3 Estimated based on actual performance multipliers for calendar 2012, 2013 and 2014, and pro forma multipliers of one for future years; and Actual AIMCo Total Fund rates of return for calendar 2012, 2013 and 2014, and no assumed growth in future years.

PENSION PLANS

The named executive officers (below) participate in either the defined benefit or the defined contribution pension plans.

All plans require contributions by both the employee and AIMCo. The table that follows shows the contributions for the named executive officers under their respective plans.

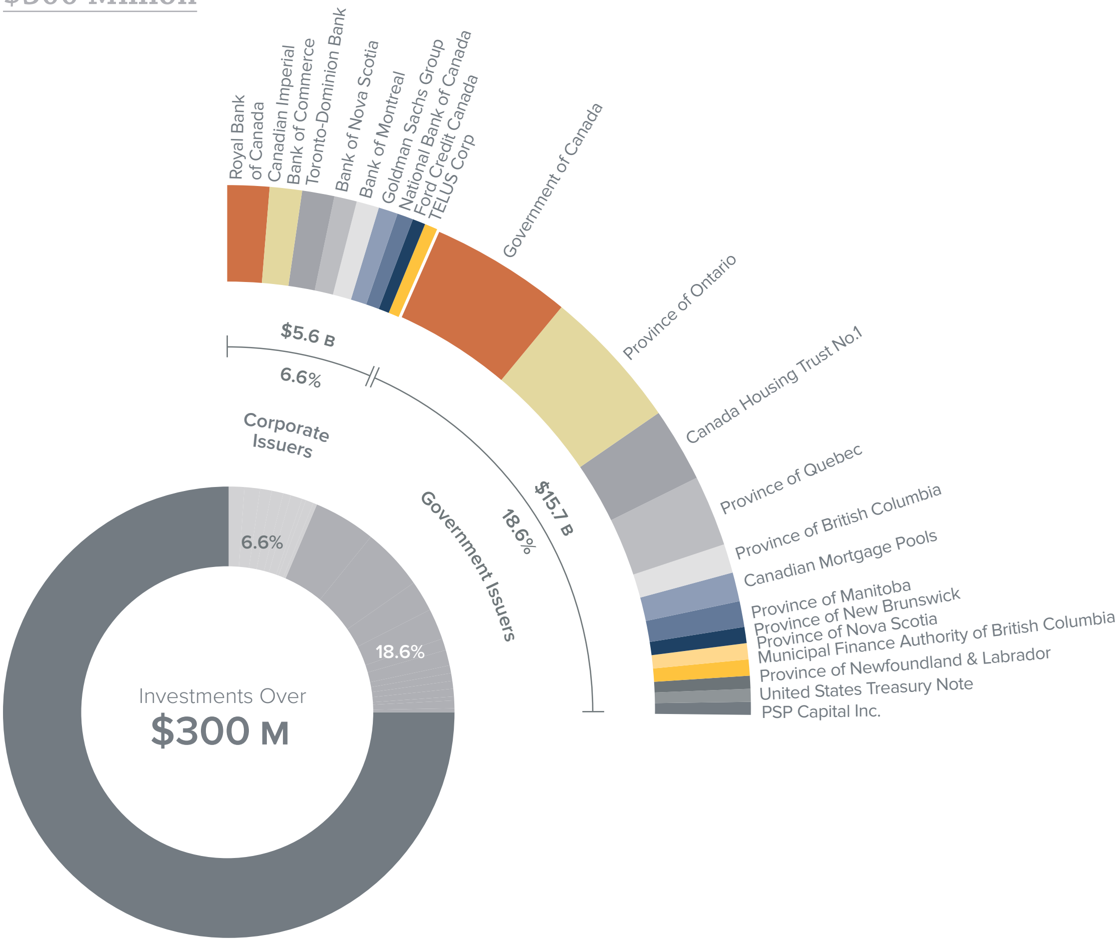
PENSION PLAN CONTRIBUTIONS

NAME AND POSITION	FISCAL YEAR	PLAN TYPE	EMPLOYER CONTRIBUTIONS ($)	EMPLOYEE CONTRIBUTIONS ($)
Kevin Uebelein[1]	**2015**	Registered	9,718	4,859
CEO *(started Jan. 5, 2015)*	**2015**	Supplementary	0	0
Leo de Bever[1]	**2015**	Registered	1,953	977
CEO *(ended Dec. 31, 2014)*	**2015**	Supplementary	85,354	42,677
	2014	Registered	20,847	10,423
	2014	Supplementary	43,820	21,910
	2013	Registered	20,547	10,273
	2013	Supplementary	44,120	22,060
Jacquelyn Colville[1]	**2015**	Registered	16,620	8,310
CFO	**2015**	Supplementary	11,772	5,886
	2014	Registered	16,388	8,194
	2014	Supplementary	8,562	4,281
	2013	Registered	17,727	8,863
	2013	Supplementary	4,280	2,140
Dale MacMaster[2]	**2015**	Registered	30,583	17,915
EVP Public Markets	**2015**	Supplementary	26,818	26,818
	2014	Registered	26,921	15,718
	2014	Supplementary	22,639	22,639
	2013	Registered	26,562	15,508
	2013	Supplementary	20,566	20,566
Robert Mah[1]	**2015**	Registered	16,620	8,310
EVP Private Markets	**2015**	Supplementary	23,143	11,572
	2014	Registered	16,311	8,155
	2014	Supplementary	21,050	10,525
	2013	Registered	17,251	8,625
	2013	Supplementary	16,943	8,472
John Osborne[2]	**2015**	Registered	30,397	17,806
CRO	**2015**	Supplementary	13,176	13,176
	2014	Registered	26,921	15,718
	2014	Supplementary	11,697	11,697
	2013	Registered	25,448	14,838
	2013	Supplementary	10,551	10,551

1 Member of AIMCo's Defined Contribution and Supplementary Defined Contribution pension plans

2 Member of AIMCo's Defined Benefit and Supplementary Defined Benefit pension plans

Investments Over $300 Million



CORPORATE ISSUER	ASSETS UNDER MANAGEMENT	% OF TOTAL
1 Royal Bank of Canada	1,106.7	1.3%
2 Canadian Imperial Bank of Commerce	868.9	1.0%
3 Toronto-Dominion Bank	840.9	1.0%
4 Bank of Nova Scotia	614.3	0.7%
5 Bank of Montreal	550.0	0.7%
6 Goldman Sachs Group Inc	504.4	0.6%
7 National Bank of Canada	415.0	0.5%
8 Ford Credit Canada Ltd	356.3	0.4%
9 TELUS Corp	342.9	0.4%
	5,599.4	**6.6%**

GOVERNMENT ISSUER	ASSETS UNDER MANAGEMENT	% OF TOTAL
1 Government of Canada	3,752.7	4.4%
2 Province of Ontario	3,733.2	4.4%
3 Canada Housing Trust No 1	1,930.5	2.3%
4 Province of Quebec	1,823.5	2.2%
5 Province of British Columbia	799.8	0.9%
6 Canadian Mortgage Pools	736.4	0.9%
7 Province of Manitoba	635.4	0.8%
8 Province of New Brunswick	412.4	0.5%
9 Province of Nova Scotia	403.8	0.5%
10 Municipal Finance Authority of British Columbia	397.2	0.5%
11 Province of Newfoundland and Labrador	355.0	0.4%
12 United States Treasury Note	352.7	0.4%
13 PSP Capital Inc	319.0	0.4%
	15,651.6	**18.6%**

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Management's Responsibility for Financial Reporting

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

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

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

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

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

[Original signed by Kevin Uebelein]

KEVIN UEBELEIN
Chief Executive Officer

[Original signed by Jacquelyn Colville, CA]

JACQUELYN COLVILLE, CA
Chief Financial Officer

Independent Auditor's Report

AUDITOR GENERAL
Alberta

TO THE SHAREHOLDER OF ALBERTA INVESTMENT MANAGEMENT CORPORATION

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Alberta Investment Management Corporation, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

In my opinion, the financial statements present fairly, in all material respects, the financial position of Alberta Investment Management Corporation as at March 31, 2015, and the results of its operations, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

[Original signed by Merwan N. Saher, FCA]

AUDITOR GENERAL
May 28, 2015
Edmonton, Alberta

Statement of Financial Position

AS AT MARCH 31, *($ thousands)*	**2015**	**2014**
Assets		
Cash and cash equivalents *(Note 4)*	**$ 29,293**	$ 45,734
Accounts receivable	**13,917**	11,771
Prepaid expenses	**4,773**	4,915
Tangible capital assets *(Note 5)*	**79,637**	79,867
Other assets	**2,416**	2,416
	130,036	144,703
Liabilities		
Accounts payable and accrued liabilities	**5,005**	4,457
Accrued employment liabilities *(Note 6)*	**56,077**	64,642
Advance from the Province of Alberta *(Note 7)*	**58,849**	64,849
Pension liabilities *(Note 8)*	**3,038**	2,939
Deferred lease inducement *(Note 15)*	**3,420**	4,169
	126,389	141,056
Net assets *(Note 9)*	**$ 3,647**	$ 3,647

Contractual obligations *(Note 15)*

The accompanying notes are part of these financial statements.

Approved by the Board:

[Original signed by Mac H. Van Wielingen]

MAC H. VAN WIELINGEN
Board Chair

[Original signed by Richard Bird]

RICHARD BIRD
Audit Committee Chair

Statement of Operations

FOR THE YEAR ENDED MARCH 31, *($ thousands)*	2015	2015	2014
	Budget (unaudited) *(Note 16)*		
Revenue			
Cost recoveries	$ 411,349	**$ 439,664**	$ 444,763
Interest income	–	**278**	329
Total revenue	411,349	**439,942**	445,092
Expenses			
External investment management fees *(Note 10)*	147,986	**145,205**	138,249
External performance fees *(Note 10)*	77,579	**95,097**	114,701
External asset administration, legal, and other *(Note 10)*	68,128	**76,914**	73,279
Salaries, wages and benefits	71,907	**76,369**	76,979
Data, subscriptions and maintenance services	11,174	**14,357**	12,528
Amortization of tangible capital assets	12,000	**11,685**	8,501
Administrative expenses	7,855	**7,843**	6,657
Contract and professional services	7,784	**6,842**	8,640
Rent	6,311	**4,938**	4,849
Interest	625	**692**	709
Total expenses	411,349	**439,942**	445,092
Annual surplus	$ –	**$ –**	$ –

The accompanying notes are part of these financial statements.

Statement of Cash Flows

FOR THE YEAR ENDED MARCH 31, *($ thousands)*	2015	2014
Operating transactions		
Annual surplus	**$ –**	$ –
Non-cash items:		
Amortization of tangible capital assets	**11,685**	8,501
Amortization of deferred lease inducement	**(749)**	(450)
Loss on disposal of tangible capital assets	**299**	–
Change in obligation under capital leases	**–**	125
Change in pension liabilities	**98**	11
	11,333	8,187
Changes in operating accounts *(Note 11)*	**(10,021)**	4,483
	1,312	12,670
Capital transactions		
Acquisition of tangible capital assets	**(11,776)**	(18,722)
Proceeds on disposal of tangible capital assets	**23**	–
	(11,753)	(18,722)
Investment transactions		
Payment of obligation under capital leases	**–**	(125)
Financing transactions		
Proceeds from advance from the Province of Alberta	**–**	15,800
Payment of advance from the Province of Alberta	**(6,000)**	(3,000)
	(6,000)	12,800
(Decrease) Increase in cash and cash equivalents	**(16,441)**	6,623
Cash and cash equivalents at beginning of year	**45,734**	39,111
Cash and cash equivalents at end of year	**$ 29,293**	$ 45,734
Supplementary information		
Cash used for interest	**$ 570**	$ 599

The accompanying notes are part of these financial statements.

Notes to the Financial Statements

For the year ended March 31, 2015 *($ thousands)*

NOTE 1 AUTHORITY

Alberta Investment Management Corporation ("the Corporation") is an agent of the Crown in right of Alberta and operates under the authority of the Alberta Investment Management 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 federal and provincial income taxes.

NOTE 2 NATURE OF OPERATIONS

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

The Corporation has assets under administration of approximately $90.3 billion (2014 – $80.4 billion) at March 31, 2015, see Note 12. These assets are invested in segregated investments owned by the client or aggregated in one or more pooled investment portfolios managed by the Corporation. Some of these assets are managed by third-party investment managers selected and monitored by the Corporation in order to achieve greater diversification, as well as to access external expertise and specialized knowledge. The segregated assets and the assets within the pooled investment portfolios are not consolidated in the financial statements of the Corporation. The Corporation makes investments on behalf of its clients and may also establish companies in which the Province of Alberta is the registered owner of the shares for the purpose of managing specific investments. As the Corporation has no beneficial interest in these entities, they are not consolidated in the Corporation's financial statements.

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

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Measurement Uncertainty

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount. External investment management fees which are recorded as $145,205 (2014 – $138,249), external performance fees which are recorded as $95,097 (2014 – $114,701), and pension liabilities which are recorded as $3,038 (2014 – $2,939) in these financial statements, are subject to measurement uncertainty. External investment costs include estimates of management and performance fees that are based upon specified rates and commitment levels in the investment management agreements. The pension liabilities are based on key assumptions that could impact the reported liability. Refer to Note 8 for a description of the key assumptions and how a change in the assumptions can impact the reported pension liability.

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

b) Revenue Recognition

All revenues are reported on the accrual basis of accounting.

Cost recovery revenue is recognized on the recovery of direct costs related to management of government funds, pension plans and other investments, and on the recovery of indirect costs representing each government fund, pension plan and pooled fund's respective share of the Corporation's operating costs. The indirect charges are allocated based on assets under management and head count.

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

Under the Alberta Investment Management Corporations Act, the Corporation may establish and maintain one or more Reserve Funds with the ability to recover charges in excess of direct costs.

c) Expenses

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

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

d) Assets

Financial assets which include cash and cash equivalents and accounts receivable are assets that could be used to discharge existing liabilities or finance future operations.

Prepaid expenses are charged to expense over the periods expected to benefit from it.

e) Liabilities

Liabilities are recorded to the extent that they represent present obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

f) Financial Instruments

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

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

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

The Corporation does not own any derivative financial instruments.

Cash and cash equivalents are recorded at cost, which is equivalent to their fair value, and include short-term and mid-term liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments generally have a maximum term-to-maturity of three years or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing. The Corporation has access to these investments with no restrictions.

Accounts receivable are recorded at cost less any provision for doubtful accounts. Provision for doubtful accounts are made to reflect accounts receivable at the lower of cost and net recoverable value, when collectability and risk of loss exists. Changes in doubtful accounts are recognized in administrative expenses in the statement of operations (2015 and 2014 - $nil).

g) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Computer systems hardware and software development costs, including labour and materials, and costs for design, development, testing and implementation, are capitalized when the related business systems are expected to be of continuing benefit to the Corporation.

The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives as follows:

Computer systems hardware and software	5-10 years
Furniture and equipment	10 years
Leasehold improvements	Lesser of the useful life of the asset and the term of the lease

Computer systems hardware and software development costs are not amortized until the assets are available for use.

h) Write-down of Tangible Capital Assets

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs are accounted for as expenses in the statement of operations.

i) Net Assets

Net assets represent the difference between the carrying value of assets held by the Corporation and its liabilities.

PSAS require a "net debt" presentation for the statement of financial position in the summary financial statements of governments. Net debt presentation reports the difference between financial assets and liabilities as "net debt" or "net financial assets" as an indicator of the future revenues required to pay for past transactions and events. The Corporation operates within the government reporting entity, and does not finance all its expenditures by independently raising revenues. Accordingly, these financial statements do not report a net debt indicator.

j) Employment Benefits

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

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

The Corporation provides retention incentives to certain employees through a Long-Term Incentive Plan ("LTIP") and a Restricted Fund Unit Plan ("RFU"). The potential end value of these grants, if and when vested, fluctuate over the vesting period based on achievement of certain performance factors, and are expensed as salaries, wages and benefits over the vesting period of the awards. The liability for the grants are remeasured at each reporting period based on changes in the intrinsic values of the grants, such that the cumulative amount of the liability will equal the potential payout at that date. Any gains or losses on remeasurement are recorded in the statement of operations. For any forfeiture of the grants, the accrued compensation cost will be adjusted by decreasing salaries, wages and benefits expense in the period of forfeiture.

k) Foreign Currency

Assets and liabilities denominated in foreign currency are translated at the year-end rate of exchange. Exchange differences on transactions are included in the determination of net operating results. Foreign currency transactions are translated into Canadian dollars using the Bank of Canada noon rate for the day.

NOTE 4 CASH AND CASH EQUIVALENTS

AS AT MARCH 31, *($ thousands)*	2015	2014
Deposit in Consolidated Cash Investment Trust Fund	**$ 29,147**	$ 45,679
Cash in U.S. bank account	**65**	55
Cash in Great British Pounds bank account	**81**	–
	$ 29,293	$ 45,734

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 is comprised of high quality short-term and mid-term fixed income securities with a maximum term-to-maturity of three years. As at March 31, 2015, securities held by the Fund have a time-weighted return of 1.2% per annum (2014 – 1.2% per annum).

NOTE 5 TANGIBLE CAPITAL ASSETS

FOR THE YEAR ENDED MARCH 31 *($ thousands)*

	COMPUTER SYSTEMS HARDWARE AND SOFTWARE	EQUIPMENT UNDER CAPITAL LEASES	LEASEHOLD IMPROVEMENTS	FURNITURE AND EQUIPMENT	2015	2014
Cost						
Opening Balance	$ 91,500	$ 268	$ 12,975	$ 4,554	**$ 109,297**	$ 90,575
Additions	11,709	–	59	8	**11,776**	18,722
Disposals	(10,760)	(268)	–	–	**(11,028)**	–
Transfers	–	–	–	–	**–**	–
Write-downs	–	–	–	–	**–**	–
Closing Balance	92,449	–	13,034	4,562	**110,045**	109,297
Accumulated Amortization						
Opening Balance	22,581	47	5,063	1,739	**29,430**	20,929
Amortization expense	9,861	9	1,367	447	**11,684**	8,501
Effect of disposals	(10,650)	(56)	–	–	**(10,706)**	–
Write-downs	–	–	–	–	**–**	–
Closing Balance	21,792	–	6,430	2,186	**30,408**	29,430
Net Book Value at March 31	$ 70,657	$ –	$ 6,604	$ 2,376	**$ 79,637**	$ 79,867

NOTE 6 ACCRUED EMPLOYMENT LIABILITIES

AS AT MARCH 31, *($ thousands)*	2015	2014
Annual incentive plan (a)	**$ 22,974**	$ 26,554
Long-term incentive plan (b)	**30,493**	34,241
Restricted fund unit incentive plan (c)	**533**	821
Accrued vacation, salaries and benefits	**2,077**	3,026
	$ 56,077	$ 64,642

a) Annual Incentive Plan

Variable pay per the Corporation's Annual Incentive Plan is accrued based on goal attainment for the calendar year and paid in the subsequent year. Payments are tied to asset class and total fund value-added and include a component for achievement of annual individual objectives. The Chief Executive Officer may also make limited discretionary awards.

b) Long-Term Incentive Plan

The Corporation provides retention incentives to certain employees through an LTIP and an RFU plan. The LTIP program provides the opportunity for a performance payment 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 effective January 1 of each year that vary in size with their level of responsibility and quality of past performance and vest at the end of the fourth calendar period subsequent to the grant date. 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 vest after four years, and providing all vesting and plan conditions have been met by the employee, they will pay between zero and three times the size of the grant based on cumulative performance under the four-year vesting period. The maximum amount could be paid if the average four-year value-added exceeds the average "stretch target" annually set by the Board. The stretch target for the 2015 calendar year is $906,000.

Information about the target, stretch target and actual results achieved for the last five calendar years is as follows:

	TARGET	STRETCH TARGET	VALUE ADD FOR COMPENSATION PURPOSES [1]
2010	$ 166,667	$ 500,000	$ 192,000
2011	166,667	500,000	610,000
2012	200,000	600,000	1,245,000
2013	266,667	800,000	427,000
2014	269,000	807,000	(82,000)
Total	$ 1,069,001	$ 3,207,000	$ 2,392,000

1 Historic value-added was adjusted to reflect the impact of changes in the valuation methodology in 2014 for certain insurance-related investments. Value-added for periods prior to 2014 declined as a result. This adjustment was for compensation purposes only.

If the average four-year value-added exceeds the average stretch target annually set by the Board, employees have the potential to receive a Special LTIP Grant at the vesting date. This Special LTIP Grant, which cannot exceed the original grant, has a new four-year vesting period and is subject to the same parameters and plan conditions as regular LTIP grants. Strong performance in certain asset classes since the first grants were awarded have resulted in the potential for Special LTIP Grants. A Special LTIP Grant was awarded in the current year for $2,226 (2014 – $2,311).

The accrued LTIP liability as at March 31, 2015 of $30,493 (2014 – $34,241) reflects the current value of all LTIP, based on actual results to that date from the date they were awarded.

Information about total LTIP grants awarded and outstanding is as follows:

FOR THE YEAR ENDED MARCH 31, *(thousands)*	2015		2014	
	Notional Value		Notional Value	
LTIP grants outstanding, beginning of year	**34,063**	**$ 34,241**	29,251	$ 32,504
Granted	**11,055**	**173**	10,753	709
LTIP Accrual	**–**	**11,191**	–	13,840
Forfeited	**(2,428)**	**(2,442)**	(2,563)	(2,848)
Paid	**(4,236)**	**(12,670)**	(3,378)	(9,964)
LTIP grants outstanding, end of year	**38,454**	**$ 30,493**	34,063	$ 34,241

The maximum potential obligation related to the LTIP as at March 31, 2015 was $115,362 (2014 – $102,189). Total expense related to the LTIP for the year ended March 31, 2015 was $8,922 (2014 – $11,554) which was recorded in salaries, wages and benefits.

c) Restricted Fund Unit Incentive Plan

The RFU program is a supplementary compensation plan based on a notional investment in the total assets under administration, 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 RFUs. RFUs have time horizons of one to three years for vesting provisions. Employees must be on staff as of the payment date in order to be eligible to receive any vested payments.

The accrued RFU liability as at March 31, 2015 of $533 (2014 – $821) reflects the current value of all RFUs, based on actual results to that date from the date they were awarded.

Information about total RFU grants awarded and outstanding is as follows:

FOR THE YEAR ENDED MARCH 31, *(thousands)*	2015		2014	
	Notional Value		Notional Value	
RFU grants outstanding, beginning of year	**750**	**$ 821**	1,230	$ 973
Granted	**375**	**57**	–	–
Accrual	**–**	**151**	–	385
Paid	**(400)**	**(496)**	(480)	(537)
RFU grants outstanding, end of year	**725**	**$ 533**	750	$ 821

Total expense related to the RFU plan for the year ended March 31, 2015 was $208 (2014 – $385) which was recorded in salaries, wages and benefits.

NOTE 7 ADVANCE FROM THE PROVINCE OF ALBERTA

Pursuant to Order in Council 219/2012 and in accordance with a loan advance agreement, the Corporation has not received advances from the Province of Alberta for the year ended March 31, 2015 (2014 – $15,800). As at March 31, 2015, the outstanding advances from the Province totaled $58,849 (2014 – $64,849).

The advance is a revolving demand credit facility up to a maximum of $70,000. The advance is repayable within six months of demand by the Province and is interest bearing at a rate equal to the Province's one-month borrowing rate of 0.92% (2014 – 0.84%). Interest expense on advance is $570 (2014 – $599) and is included on the statement of operations. At March 31, 2015, the Corporation was in compliance with the terms of its revolving demand facility.

NOTE 8 PENSION LIABILITIES

Information about the Corporation's SRP is as follows:

FOR THE YEAR ENDED MARCH 31, *($ thousands)*	2015	2014
Accrued retirement obligation		
Beginning of year	**$ 3,287**	$ 2,299
Current service cost	**388**	310
Interest cost	**160**	109
Benefits paid	**(15)**	(9)
Actuarial loss (gain)	**548**	578
End of year	**4,368**	3,287
Plan assets		
Fair value, beginning of year	**1,192**	812
Actual return on plan assets	**149**	117
Employer contributions	**167**	136
Employee contributions	**167**	136
Benefits paid	**(15)**	(9)
End of year	**1,660**	1,192
Funded status - plan deficit	**(2,708)**	(2,095)
Unamortized net actuarial gain	**(330)**	(844)
Reported liability	**$ (3,038)**	$ (2,939)

Current service cost	**388**	310
Interest cost	**160**	109
Expected return on plan assets	**(59)**	(40)
Net actuarial gain amortization	**(56)**	(96)
Less: employee contributions	**(167)**	(136)
Total SRP expense	**$ 266**	$ 147

The measurement date for the plan assets and the accrued retirement obligation for the Corporation's defined benefit pension plan is March 31. Actuarial valuations are performed at least every three years to determine the actuarial present value of the accrued retirement obligation. An actuarial valuation for funding purposes was prepared as of December 31, 2012. An extrapolation of the actuarial valuation dated December 31, 2012 was performed to March 31, 2015.

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

AS AT MARCH 31,	2015	2014
Equity securities	**55%**	55%
Debt securities	**44%**	44%
Other	**1%**	1%

The following table presents key assumptions applicable to the SRP:

AS AT MARCH 31,	2015	2014
Annual discount rate	**3.8%**	4.4%
Annual salary increase - base	**4.0%**	4.0%
Expected long-term return on plan assets	**5.0%**	5.8%
Inflation rate	**2.0%**	2.0%

The reported liability of the SRP is significantly impacted by these assumptions. A 1% increase or decrease in the discount rate would decrease or increase the reported liability by $1,275 as at March 31, 2015 (2014 – $919). A 1% increase or decrease in the rate of salary increases would increase or decrease the reported liability by $1,392 s at March 31, 2015 (2014 – $1,023). A 1% increase or decrease in the inflation rate would increase or decrease the reported liability by $427 as at March 31, 2015 (2014 – $308).

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. The Corporation also participates in a defined contribution pension plan and a defined contribution supplementary retirement plan, established for employees hired after the formation of the Corporation on January 1, 2008.

The Corporation's expense for the pension and disability plans was equivalent to the annual contributions of $4,386 (2014 – $3,694) for the year ended March 31, 2015 which was recorded in salaries, wages and benefits.

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

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

At December 31, 2014, the Management Employees Pension Plan reported a surplus of $75,805 (2014 – $50,457) and the Public Service Pension Plan reported a deficiency of $803,299 (2014 – $1,254,678).

NOTE 9 NET ASSETS

The accumulated surplus is made up as follows:

AS AT MARCH 31, *($ thousands)*	2015	2014
Contributed surplus (a)	**$ 3,647**	$ 3,647
Share capital (b)	**–**	–
Accumulated surplus	**–**	–
	$ 3,647	$ 3,647

a) Contributed Surplus

Contributed surplus of $3,647 (2014 – $3,647) represents equity received by the Department of Treasury Board and Finance in exchange for the transfer of the net book value of capital assets to the Corporation on January 1, 2008.

b) Share Capital

AS AT MARCH 31, *($ thousands)*	2015	2014
Issued and Authorized		
Province of Alberta – one share	**$ –**	$ –

NOTE 10 EXTERNAL INVESTMENT COSTS

External investment costs include external investment management and performance-based fees, as well as asset administration, legal and other expenses incurred 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 as well as performance/incentive-based fees. These fees include significant estimates and measurement uncertainty. Actual results could differ from these estimates.

External asset administration, legal and other expenses are incurred directly by the Corporation's investment portfolios and include fees for the following services: asset custody and administration, audit, compliance and valuation, and investment acquisition, disposition and structuring.

NOTE 11 CHANGES IN OPERATING ACCOUNTS

FOR THE YEAR ENDED MARCH 31, *($ thousands)*	2015	2014
(Increase) decrease in accounts receivable	**$ (2,146)**	$ 3,042
Decrease (increase) in prepaid expenses	**142**	(1,673)
Increase (decrease) in accounts payable and accrued liabilities	**548**	(2,157)
(Decrease) increase in accrued employment liabilities	**(8,565)**	5,271
	$ (10,021)	$ 4,483

NOTE 12 ASSETS UNDER ADMINISTRATION

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

At March 31, 2015 assets under administration totalled approximately $90.3 billion (2014 – $80.4 billion), at market value. These assets were administered on behalf of the following clients of the Corporation:

AS AT MARCH 31, *($ thousands)*	2015	2014
Pension plans	**$ 53,618,290**	$ 45,806,894
Ministry of Treasury Board and Finance		
General revenue and entity investment funds [1]	**9,271,803**	8,246,024
Endowment funds (including the Alberta Heritage Savings Trust Fund)	**22,184,125**	21,055,820
Insurance-related funds	**3,016,499**	2,672,544
Other government Ministry investment funds	**2,188,502**	2,587,099
	$ 90,279,219	$ 80,368,381

1 General Revenue Fund Policy loans have been excluded as they are managed by the Ministry of Treasury Board and Finance.

The Corporation manages the majority of these investments through pooled investment funds. However, some investments are managed by third party investment managers selected and monitored by the Corporation in order to achieve greater diversification, access to external expertise and specialized knowledge. Investments are made in accordance with the investment policies established and approved by the clients.

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

AS AT MARCH 31, *($ thousands)*	2015	2014
Fixed income		
Fixed income [1]	**$ 28,106,254**	$ 25,541,210
Private mortgages	**3,089,601**	2,313,914
Private debt & loan	**908,343**	770,284
Inflation sensitive		
Real estate	**10,710,814**	9,207,509
Infrastructure and timber	**5,396,923**	4,382,537
Real return bonds and commodities	**2,572,349**	2,341,455
Equities		
Public equities and absolute return strategies	**34,797,630**	31,690,568
Private equity and venture capital	**4,453,637**	3,748,189
Overlays	**558,533**	372,715
Currency derivatives	**(314,865)**	–
	$ 90,279,219	$ 80,368,381

1 General Revenue Fund Policy loans have been excluded as they are managed by the Ministry of Treasury Board and Finance.

NOTE 13 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 exchange amount which is the amount of consideration agreed upon between the related parties:

FOR THE YEAR ENDED MARCH 31, *($ thousands)*	**2015**	**2014**
Revenues		
Indirect cost recoveries [1]	**$ 122,448**	$ 118,534
Expenses		
Interest on advance from Province of Alberta	**570**	599
Contracted services (rent and other) [2]	**745**	777
	1,315	1,376
Assets		
Accounts receivable [1]	**13,853**	11,575
Liabilities		
Advance from Province of Alberta	**58,849**	64,849

1 Recovered from government funds, pension plans and other entities.

2 Transacted with the Ministry of Treasury Board and Finance and other entities.

NOTE 14 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 long-term value-added performance.

The tables below present total compensation of the directors and senior management of the Corporation earned for the year ended March 31, 2015 in accordance with direction from the Department of Treasury Board and Finance.

FOR THE YEAR ENDED MARCH 31, *($ thousands)*		Incentive Plan				2015	2014
	Base Salary [1]	Annual [2]	Long-Term [3]	Other Cash Benefits [4]	Other Non-Cash Benefits [5]	Total	Total
Chairman of the Board [6,7]	$ –	$ –	$ –	$ 90	$ –	**$ 90**	$ 90
Board Members [7]	–	–	–	503	–	**503**	372
Chief Executive Officer [8]	121	–	–	–	15	**136**	–
Chief Executive Officer [9]	375	998	1,500	761	94	**3,728**	3,409
Chief Investment Officer [10]	349	913	716	1	71	**2,050**	1,961
EVP, Private Investments	334	471	694	–	51	**1,550**	879
Chief Risk Officer	242	325	506	1	55	**1,129**	1,159
Chief Financial Officer	270	338	144	–	41	**793**	672
EVP, Investment Strategy & Risk [11]	291	–	–	946	45	**1,282**	1,148

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

2 Annual Incentive Plan is accrued based on goal attainment for the calendar year and paid in the subsequent period.

3 Long-Term Incentive Plan consists of amounts that became eligible for payment in the year and paid in a subsequent period.

4 Other Cash Benefits consist of RFU amounts that became eligible for payment in the year and paid in a subsequent period, retainers, honoraria, lump sum payments, and any other direct cash remuneration.

5 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, and health plan coverage.

6 Two individuals occupied this position during fiscal 2014-15. Charles Baillie was Chairman of the Board until January 31, 2015 at which time Mac H. Van Wielingen was appointed. Amounts presented are for Charles Baillie who occupied the position for ten months of the fiscal year.

7 The Board consisted of between nine and 11 independent members during fiscal 2014-15, including the Chairman whose compensation is disclosed separately.

8 The incoming Chief Executive Officer, Kevin Uebelein, commenced employment with the Corporation on January 5, 2015.

9 The outgoing Chief Executive Officer, Leo de Bever, ceased employment with the Corporation on December 31, 2014. According to the terms of Mr. de Bever's employment contract, LTIP grants that are unvested when the CEO ceases to be employed by the Corporation continue to accrue and are payable after the normal vesting period of the grant. Included in other cash benefits is a lump sum payment for payment of a working notice period of $683.

10 The incumbent in this role was previously the Executive Vice President, Public Investments and amounts presented are for the incumbent for the full year.

11 The Executive Vice President, Investment Strategy & Risk ceased employment with the Corporation on January 21, 2015. Included in other cash benefits is a lump sum payment for severance of $925.

LTIP grants are awarded at the start of each fiscal year. The resulting value, if any, is paid out after the end of a four year vesting period and is based on long-term value-added performance. The table below shows the LTIP grants and estimated potential future payouts for each named executive. The future value of awards granted for 2012, 2013 and 2014 but not vested are estimated as at March 31, 2015 based on actual performance for calendar years 2012, 2013 and 2014 and no assumed growth for future years. For awards granted in 2015, the estimated future payout is estimated as at March 31, 2015 based on target performance for calendar year 2015 and no assumed growth for future years.

No amount is payable if performance is below a certain level or if the vesting and payment conditions pursuant to the plan are not met.

	NOTIONAL VALUE				
	AS AT MARCH 31, 2014	GRANTED IN YEAR	ELIGIBLE FOR PAYOUT IN YEAR	FORFEITED OR ADJUSTED IN YEAR	AS AT MARCH 31, 2015
Chief Executive Officer [1]	**–**	500.0	–	–	500.0
Chief Executive Officer [2]	**2,250.0**	–	(500.0)	(7.0)	1,743.0
Chief Investment Officer [3]	**1,625.9**	613.5	(238.5)	–	2,000.9
EVP, Private Investments	**1,139.0**	333.5	(238.5)	–	1,234.0
Chief Risk Officer	**964.1**	346.4	(168.8)	(1.4)	1,140.3
Chief Financial Officer	**317.2**	157.1	(50.0)	–	424.3
EVP, Investment Strategy & Risk [4]	**710.5**	–	–	(710.5)	–

	ESTIMATED FUTURE PAYOUT				
	AS AT MARCH 31, 2014	CHANGE IN ESTIMATED FUTURE PAYOUT IN YEAR	ELIGIBLE FOR PAYOUT IN YEAR	FORFEITED OR ADJUSTED IN YEAR	AS AT MARCH 31, 2015
Chief Executive Officer [1]	**$ –**	$ 125.0	$ –	$ –	$ 125.0
Chief Executive Officer [2]	**$ 3,898.0**	$ (197.4)	$ (1,500.0)	$ –	$ 2,200.6
Chief Investment Officer [3]	**$ 2,663.4**	$ 271.7	$ (715.5)	$ –	$ 2,219.6
EVP, Private Investments	**$ 1,498.2**	$ (301.7)	$ (691.6)	$ –	$ 504.9
Chief Risk Officer	**$ 1,517.4**	$ (173.6)	$ (506.3)	$ –	$ 837.5
Chief Financial Officer	**$ 469.9**	$ (33.0)	$ (143.8)	$ –	$ 293.1
EVP, Investment Strategy & Risk [4]	**$ 578.0**	$ –	$ –	$ (578.0)	$ –

1 The incoming Chief Executive Officer, Kevin Uebelein, commenced employment with the Corporation on January 5, 2015.

2 The outgoing Chief Executive Officer, Leo de Bever, ceased employment with the Corporation on December 31, 2014. According to the terms of Mr. de Bever's employment contract, LTIP grants that are unvested when the CEO ceases to be employed by the Corporation continue to accrue and are payable after the normal vesting period of the grant.

3 The incumbent in this role was previously the Executive Vice President, Public Investments and amounts presented are for the incumbent for the full year.

4 The Executive Vice President, Investment Strategy & Risk ceased employment with the Corporation on January 21, 2015. At that date, unvested LTIP awards with a notional amount of $578 were forfeited.

RFU awards are granted on a discretionary basis to bridge the gap period between when an individual commences employment and when LTIP grants begin vesting. RFU awards have time horizons on one to three years for vesting period. The table below shows the RFU grants and estimated future payouts for each named executive. For awards granted in 2015, the estimated future payout is estimated to be equal to the grant amount.

					NOTIONAL VALUE
	AS AT MARCH 31, 2014	GRANTED IN YEAR	ELIGIBLE FOR PAYOUT IN YEAR	FORFEITED OR ADJUSTED IN YEAR	AS AT MARCH 31, 2015
Chief Executive Officer [1]	–	375.0	–	–	375.0

					ESTIMATED FUTURE PAYOUT
	AS AT MARCH 31, 2014	CHANGE IN ESTIMATED FUTURE PAYOUT IN YEAR	ELIGIBLE FOR PAYOUT IN YEAR	FORFEITED OR ADJUSTED IN YEAR	AS AT MARCH 31, 2015
Chief Executive Officer [1]	$ –	$ 375.0	$ –	$ –	$ 375.0

1 The incoming Chief Executive Officer, Kevin Uebelein, commenced employment with the Corporation on January 5, 2015.

NOTE 15 CONTRACTUAL OBLIGATIONS

Contractual obligations of $31,813 are obligations to others that will become liabilities in the future when the terms of those contracts or agreements are met. The Corporation has entered into various agreements with minimum annual commitments for office space and other contracted services. Estimated payment requirements for each of the next five years and thereafter are as follows:

AS AT MARCH 31, *($ thousands)*	2015
2016	$ 10,054
2017	7,022
2018	5,445
2019	5,079
2020	3,131
Thereafter	1,082
Total	$ 31,813

The Corporation entered into a lease agreement commencing January 1, 2010, 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 which has been recognized as a reduction in lease expense over the 10-year term of the lease.

The Corporation also entered into a lease agreement commencing April 30, 2013, for nine years, with an option to renew for a further six years. Included in this agreement is a lease inducement of $300 to be recognized as a reduction in lease expense over the nine-year term of the lease.

The total deferred lease inducement as at March 31, 2015 is $3,420 (2014 – $4,169).

Pursuant to Order in Council 23/2008, the Province of Alberta has made available a facility to access up to a maximum of $200,000 for letters of credit for security purposes. This facility is utilized by the investment pools and at March 31, 2015 the balance outstanding against the facility is $134,257 (2014 – $134,059).

NOTE 16 2014-2015 BUDGET

The Corporation's budget for the year ended March 31, 2015 was approved by the Board of Directors on November 15, 2013.

NOTE 17 RISK MANAGEMENT

The Corporation has minimal exposure to credit risk, liquidity risk and foreign exchange risk due to the nature of our operations.

a) Credit Risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty to fully honour its financial obligations with the Corporation. The credit quality of financial assets is generally assessed by reference to external credit ratings. Credit risk can also lead to losses when issuers and debtors are downgraded by credit rating agencies usually leading to a fall in the fair value of the counterparty's obligations. Credit risk exposure for financial instruments is measured by the positive fair value of the contractual obligations with counterparties. The fair value of all investments is directly or indirectly impacted by credit risk to some degree. The Corporation is exposed to minimal credit risk as all our clients are established organizations that have a proven history of payment.

As at March 31, 2015, the total carrying amount in accounts receivable balance is current.

b) Liquidity Risk

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

Liquidity risk exposure is managed through regular recovery of all operating costs on a monthly basis. Further, the Corporation's board of directors may approve recoveries greater than costs to maintain or increase the Corporation's general reserve, in the event additional funding is needed.

c) Foreign Exchange Risk

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

The carrying amount of the Corporation' s US denominated foreign currency in accounts payable and accrued liabilities as at March 31, 2015 is $397 (2014 – $758).

d) Interest Rate Risk

The Corporation is exposed to interest rate risk from our advance from the Province of Alberta. The sensitivity of the Corporation's operating surplus due to a 1% change in the interest rate is $588 (2014 – $648).

NOTE 18 SUBSEQUENT EVENTS

An advance from the Province of Alberta was received on April 15, 2015 in the amount of $8 million.

NOTE 19 COMPARATIVE FIGURES

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

NOTE 20 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on May 28, 2015.

Executive Team & Board of Directors

EXECUTIVE TEAM

Kevin Uebelein
Chief Executive Officer

Dale MacMaster
Chief Investment Officer

Robert Mah
Executive Vice President, Private Investments

Angela Fong
Chief Corporate and Human Resources Officer

Jacquelyn Colville
Chief Financial Officer

Brett Kimak
Chief Compliance Officer

John Osborne
Chief Risk Officer

Michael Baker
Senior Vice President, Investment Operations

Darren Baccus
Chief Client Relations and Legal Officer

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Virginia A. Holmes

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