



For Immediate Release

AIMCo Earns 10.6% Return for Clients in 2019

Edmonton, Alberta (April 8, 2020) – Alberta Investment Management Corporation (AIMCo) announced today its financial results for the year ended December 31, 2019. On behalf of its 30 Alberta-based pension, endowment and government fund clients, AIMCo earned a total fund return of 10.6% net of all fees, representing approximately \$11.5 billion in net investment income, with assets under management reaching \$118.8 billion. The annualized total fund returns over four and ten years were 7.0% and 8.2%, respectively.

“As institutional investors we understand that even well-diversified portfolios are bound to deliver more favourable returns in some years compared to others,” said Kevin Uebelein, Chief Executive Officer. “While over the long-term, we are proud that AIMCo has earned its clients strong value-added investment performance across all asset classes — beating the benchmark in ten of the past twelve years at the total fund level — we acknowledge that in the short-term we have not met our clients’ expectations.”

“Despite all asset classes earning strong absolute returns, some did not outperform their respective market benchmarks in 2019,” added Chief Investment Officer Dale MacMaster. “Illiquid assets, for instance, which have consistently posted strong returns over the past few years, experienced more modest performance last year. On the public equities side, for active managers like AIMCo, it was a challenging year — the market was very narrow, with fewer stocks and fewer sectors exceeding their benchmarks. Remaining patient while being willing to innovate will ultimately serve our clients well, especially in this current investment climate.”

For the one-year period ending December 31, 2019, AIMCo’s total fund return is 0.5% below that of its benchmark. On a four- and ten-year basis, AIMCo continues to demonstrate strong value add, outperforming its benchmark by 0.5% and 0.8% for each period respectively.

While 2019 held its own challenges, 2020 is unparalleled with the global economic impact of COVID-19 and an oil price war causing virtually all asset values to be significantly repriced and investment markets to enter a period of sudden and unprecedented volatility. In extreme markets such as this one, where so many asset classes decline together, the typical benefits of portfolio diversification will be diminished in the short-term.

“Our team is responding decisively in an effort to protect our clients’ liquidity and assets in the near- and medium-term, while still identifying longer-term investment opportunities that will come out of these challenging market circumstances.” said Uebelein. “We know the impacts to their portfolios during these times of market uncertainty will be significant, and we are committed to accountability and full transparency to our clients as we navigate these conditions together.”

Detailed performance information will be available in AIMCo’s Annual Report to be released in June 2020.

ABOUT ALBERTA INVESTMENT MANAGEMENT CORPORATION (AIMCO)

AIMCo is one of Canada's largest and most diversified institutional investment managers with \$118.8 billion of assets under management, as at December 31, 2019. The organization's mandate is to maximize risk adjusted net investment returns in a manner responsive to the needs and expectations of its 30 Alberta-based pension, endowment, government, and specialty fund clients.

Balanced fund pension and endowment clients account for \$100.0 billion of assets under management, and are most representative of AIMCo's overall performance, as they utilize the full range of the organization's asset and style capabilities. Government and specialty fund clients account for \$18.8 billion of assets under management, and largely rely on AIMCo for its expertise in managing fixed income assets and for liquidity management. Established as a Crown corporation on January 1, 2008, AIMCo is operationally independent — operating on commercial principles and at arms length from the Government of Alberta — yet strategically aligned with the Province as shareholder. The organization is committed to the highest standards of corporate governance including an independent, highly-qualified and diverse Board of Directors that draws on global experience to provide meaningful guidance and oversight to the organization.

For more information please visit www.aimco.ca.

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