



Legislative Assembly of Alberta

The 30th Legislature
First Session

Standing Committee
on the
Alberta Heritage Savings Trust Fund

Annual Public Meeting

Thursday, October 24, 2019
7 p.m.

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First Session**

**Standing Committee on the
Alberta Heritage Savings Trust Fund**

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Getson, Shane C., Lac Ste. Anne-Parkland (UCP), Deputy Chair

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Lowell Epp	Assistant Deputy Minister, Treasury and Risk Management
Brittany Jones	Trader, Money Market, Capital Markets
Stephen J. Thompson	Executive Director, Capital Markets

Alberta Investment Management Corporation Participants

Mark Prefontaine	Chief Client and Stakeholder Relations Officer
Kevin Uebelein	Chief Executive Officer

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Standing Committee on the Alberta Heritage Savings Trust Fund

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Lorraine Kuffner
Jerry Voss

7 p.m.

Thursday, October 24, 2019

[Mr. Orr in the chair]

The Chair: Good evening, ladies and gentlemen. It's 7 o'clock. I like to start right on time. Welcome, everybody. Great to have you here. Busy day today in the Alberta Legislature. It's all about finance and money. We're here this evening to hold the public meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund. I'd like to officially call the meeting to order. My name is Ron Orr. I am the MLA for Lacombe-Ponoka and the chair of the Standing Committee on the Alberta Heritage Savings Trust Fund.

The committee is really pleased this evening to be able to hold this public meeting of the fund here in Edmonton and broadcast throughout the rest of the province. The Alberta Heritage Savings Trust Fund Act requires the committee to hold a public meeting of the fund every year, basically to report to Albertans, so that's what we're here to do.

I'm really pleased to have the nonpartisan staff of the Legislative Assembly here with us tonight. Quite truthfully, they are the ones who have done a lot of the work to arrange and promote these public meetings, so I really want to thank all of them for the work that they've done and are continuing to do right this moment as they join us here at the meeting to help in different ways. Thanks to all of you for your parts.

The Alberta heritage savings trust fund is really one of the large ways in which we as a province invest for the betterment of Albertans. The fund actually earned a net income of \$937 million for the year ended March 31, 2019, which represents a great return of about 8 per cent.

This public meeting is an opportunity for Albertans, whoever wants to be here, to participate in discussions about the status of the fund, how it has performed, any questions that you might want to ask, and maybe a little bit of a sneak peek for 2020: how the fund will continue to provide a bright future for our province in the years to come. We have with us tonight as well the investment professionals that manage the fund. They will be here to answer many of your questions. Their goal is to get the best possible return for the fund for all of us.

I'd now like to ask the members of the committee, first of all, to introduce themselves. First of all, those to my right.

Mr. Getson: Shane Getson, MLA for Lac Ste. Anne-Parkland.

Mr. Eggen: My name is David Eggen. I'm the MLA for Edmonton-North West.

Ms Glasgo: My name is Michaela Glasgo. I'm the MLA for Brooks-Medicine Hat.

Mr. Singh: Peter Singh, MLA for Calgary-East.

The Chair: To my left, please.

Member Loyola: Rod Loyola, MLA for Edmonton-Ellerslie.

Mrs. Allard: Good evening. I'm Tracy Allard, MLA for Grande Prairie.

Mr. Nielsen: Good evening, everyone. Chris Nielsen, MLA for Edmonton-Decore.

Mr. Jones: Matt Jones, MLA, Calgary-South East.

The Chair: The Standing Committee on the Alberta Heritage Savings Trust Fund's mandate is to review and approve the performance of the fund quarterly and annually and then report that back both to the Legislative Assembly and through this meeting to Albertans. That's what we're here to do.

The President of Treasury Board and the Minister of Finance is ultimately responsible for the fund and its investments. The department that works with him looks after the details of setting some of the fund's long-term strategy, developing investment policies, and really monitoring the performance of the fund's investments.

Joining us today on the panel we have from Alberta Treasury Board and Finance Mr. Lowell Epp, assistant deputy minister, treasury and risk management; Mr. Stephen Thompson, executive director of capital markets; and Ms Brittany Jones, money market trader, capital markets, as well.

The Alberta Investment Management Corporation, or AIMCo, as we often refer to it, is responsible for making and managing the actual investments in stocks, bonds, and other investment instruments within the fund's portfolio. We have the chief executive officer, Mr. Kevin Uebelein – did I pronounce that right? – and Mr. Mark Prefontaine, chief client and stakeholder relations officer.

Tonight's meeting is being broadcast live on Alberta Assembly TV and streamed in both audio and video formats on the Legislative Assembly website at assembly.ab.ca. We are also streaming live on the Legislative Assembly of Alberta's social media platforms. I'd like to encourage anyone to join the discussion during our live broadcast. You can submit your questions via e-mail at committees@assembly.ab.ca or through the Legislative Assembly of Alberta's social media on Facebook and Twitter using the hashtag #abheritagefund. The contact information is found at the bottom of your screen, too, if you're watching. We hope to respond to as many questions as time will allow during this meeting, especially as we get into the question-and-answer segment which will follow immediately after the formal presentations are made to you. Your input is important, so I'd encourage you to think about your questions as you hear the presentations, and then you can ask your questions. Please note for all that the meeting is being recorded by *Alberta Hansard*. A transcript of the meeting will also be available online on the Assembly website once it's posted there.

With that, let's take a look at the video that introduces the Alberta heritage savings trust fund, and then we'll get into the presentations from Treasury Board and Finance and then AIMCo. The video, please.

[A video was shown from 7:06 p.m. to 7:09 p.m.]

The Chair: Great. Good presentation.

Let's begin. I'd like to invite Mr. Lowell Epp with Alberta Treasury Board and Finance to present his comments on the heritage fund, please.

Mr. Epp: Thank you, Mr. Chair. As always, it's a pleasure to be here and a pleasure to present the results of the most recent year for the heritage fund. As mentioned in the video that was just shown, "the mission of the Heritage Fund is to provide prudent stewardship of the savings from Alberta's non-renewable resources by providing the greatest financial returns on those savings for current and future . . . Albertans." That's right in the legislation, and the key points are prudent stewardship, greatest financial returns – we're trying to maximize them over the long run – and the benefit to current and future Albertans.

7:10

Implementing that mandate has a number of focuses. Certainly, we want to achieve a prudent balance between expected returns and risk. Management is certainly focused on the long term rather than quarter-to-quarter or year-to-year results, and diversification and risk management is an important component of how the fund is managed. Finally, low-cost management is a key to earning the superior returns the funds have earned. AIMCo is a top quartile investor in terms of low costs.

Just if you page through the reports to the latter part of the reports, you'll see that the heritage fund has investments globally. Canada owns companies like Royal Bank or owns shares in companies like Royal Bank and Canadian National Railway. It owns international companies like Apple and Microsoft, Facebook. It owns a portion of the London City Airport, if you've ever been in London and been lucky enough to fly there. It certainly invests in Alberta as well. Suncor and Enbridge are two of their largest holdings. Many, many more holdings in Alberta and throughout the world.

Financial highlights shown in the annual report include a fair value at the end of the last fiscal year, March 31, 2019, of \$18.2 billion. The fund over the last 10 years has earned 10.8 per cent on an annualized basis, and that's after fees, and earned 8 per cent last year. Investment income gets transferred to the general revenue fund of the government every year. Last year \$563 million was transferred; \$374 million of the income was retained by the fund to protect it against inflation. Since 1976, when the fund was started, the fund has transferred over \$43 billion to the general revenue fund and other government projects.

The market value of the fund has grown about \$4 billion in the last 10 years. Since it pays out much of its income to the general revenue fund on an annual basis, it does not grow as fast as one might hope, but that income is important to the budget such as the one given today.

The fund is fully recovered. The one year that's not on the graph, 2007-08, we finished with a balance of about \$17 billion, and then during 2008-09 the stock markets and other financial markets experienced quite a downturn, as you'll probably remember, and the fund lost about \$3 billion during that year. Since that time we fully recovered and are a billion dollars ahead of where we were at the beginning of 2008-09.

On this slide we take a look at the income transfers throughout the years. You can see that they go up and down quite consistently. There's no standard investment income average or target. As the markets go up and down, so does the income of the heritage fund. Two things stand out to me. One is that in 2002-03 and 2008-09 there was no income transferred because losses were experienced in those years. The other thing that stands out to me is that in the last 10 years we've had two record years with over \$2 billion transferred to the general revenue fund in both 2008-09 and 2016-17.

As was stated in the video, the long-term asset allocation is set by the Minister of Finance working with the Department of Treasury Board and Finance. The target allocation for the heritage fund is to have 50 per cent of the fund invested in equities. Equities are chosen because they provide the highest long-term return. Twenty per cent of the fund is to be invested in fixed income and money market securities. Those securities are in the portfolio for diversification and stability. Finally, 30 per cent of the fund is allocated towards inflation-sensitive and alternative investments. The aforementioned London City Airport would be an example of an infrastructure investment. Real estate investments would be another example. Those investments provide a combination of good returns plus protection against inflation over the long term.

Under the investment policy, which is available on the heritage fund's website if you care to look, AIMCo has the authority and the ability to move away from the target levels as they see fit. You can see that the asset mix as of March 31, 2019, varies somewhat from the target. Equities were at 42.3 per cent instead of 50, with that extra investment largely being invested in inflation-sensitive and alternative investments at 37.6 per cent.

There's one other category which makes up 1 per cent of the heritage fund, which is strategic opportunities, as we call it; opportunities for investments that do not fit easily into the other buckets.

How has the heritage fund performed? We have two targets for the heritage fund's performance. One target is for the heritage fund to earn a return of inflation plus 4 and a half per cent, or a real return of 4 and a half per cent, if you will. We also add 1 more per cent because AIMCo is expected to earn an extra 1 per cent on investments.

How have we done over the last one, five, and 10 years? Well, last year inflation plus 4 and a half per cent plus 1 per cent equalled 7 per cent, and the fund provided a return of 8 per cent. Similarly, the target over the last five years was 7 per cent, and the return was 8.8 per cent. However, over the 10-year period shows the best return versus that target. The target return over the last 10 years was 7.2 per cent, and the fund has actually earned 10.8 per cent over that period of time.

Another way that we look at performance is to look at: how did we do against market benchmarks? A second goal of the fund is certainly to beat its benchmark, and this is the way we can measure whether AIMCo is meeting its mandate of adding 1 per cent to the fund. You can see from the chart that over the last one-, five-, and 10-year periods the performance of the fund has exceeded the passive benchmark in each time period. This last year active management, or the actions taken by AIMCo to diversify or invest the funds, added 1 and a half per cent. Over the last 10 years that's 1.2 per cent. Translating that into dollars, it's somewhere about \$200 million of added return or a little bit more, actually, from that 1.2 per cent.

When we look at one year's asset class performance to see how the various components of the fund performed, the chart shows the various components within the portfolio. During the past year the best performers were infrastructure and renewable resources. Renewable resources would include things like timberland. Private equities also had strong returns, and you can see in each of those cases that the actual return was well above benchmark.

On the other side of the coin, performance in the equities, particularly Canadian equities and global equities, performed under benchmark. It would be impossible to add value in every class, every year, because, like any other type of investment, active management carries investment risk. But generally this is why we diversify, to take advantage of those parts of the investment market that are doing well. In any case, every asset class had a positive return. No negatives last year.

7:20

Similarly, if we look over five years, you can see a very similar story. Infrastructure has been the best performer. Remember from our earlier slide of target asset or actual asset allocation, the fund is overinvested, if you will, against target in infrastructure. This has been one of the ways that value has been added. Not only has AIMCo beat the benchmark but it has also overinvested, if you will, in the infrastructure category. That has certainly added to the heritage fund's total returns. Nothing else spectacular on this graph. Again you see some areas where there is outperformance and some

areas of underperformance, but in total an 8.8 per cent return, 1.1 per cent above the benchmark.

Switching now to investment income, over the last year the heritage fund earned an income of just over \$1 billion. Five hundred million dollars of that, or thereabouts, was earned from equities. Four hundred and sixty million dollars was earned in the inflation-sensitive and alternative investments categories. Fixed income contributed \$101 million, and strategic investments added \$14 million.

Finally, I will mention the Alberta growth mandate. The Alberta growth mandate is a mandate for the fund to “invest up to three per cent of the . . . Fund ([or roughly] \$500 million) in assets that directly invest in Alberta’s growth.” As of September 6, 2019, \$415 million or just about has been invested in 31 investments. That makes up 2.3 per cent of the heritage fund. Now, one thing that must be noted about these investments is that they are still expected to meet the heritage fund’s maximized long-term returns mandate. These aren’t social subsidies. These are good investments and have actually performed quite well.

That’s all I have, Mr. Chair. Thank you.

The Chair: Thank you very much. That’s great. I appreciate it.

Now we’ll go to the other side here and ask Mr. Uebelein to provide AIMCo’s presentation with regard to the fund. Thank you.

Mr. Uebelein: Thank you, Mr. Chair. It’s my pleasure, our pleasure, again to be here. The purpose of an evening like this is to take as many questions about the performance of the fund and AIMCo’s role in that performance as possible. I’m going to keep my prepared remarks very short, and then Mark is going to spend a little more time talking about AIMCo, what we’re all about.

We at AIMCo appreciate the importance and the significance of the role that we play in managing the financial assets for Alberta. We take that job extremely seriously and, frankly, we’re grateful for the confidence that this government and Albertans continue to place in us. We never want to misplace that confidence. Lowell has already spoken to the financial performance, and I won’t talk more about that other than to maybe make a couple of points.

The first is that because it’s an annual report, we talk about the annual numbers. But whenever we meet with anyone, we want to always reiterate that it is those long-term numbers, the four-year numbers, the five-year numbers, which is what we’re held most accountable for in the case of the heritage fund, and even the longer numbers that really tell the tale. While we’re very proud and we’re here to talk about the one-year numbers, we always encourage people to look at those longer term results whenever they can.

Secondly, we remind everyone here that while we’re here to talk about the heritage savings trust, which is \$18 billion, those performance numbers benefit from the fact that AIMCo manages not just \$18 billion but roughly \$115 billion across 31 different Alberta clients. If I could just take a couple of minutes to talk about the power of that aggregation. Stable, long-term, and scale investment capital really become, if you have all three of those components, a powerful competitive edge in the investment marketplace.

I’m going to talk about each one of these a little bit. Scale achieves a number of different advantages. First, it allows organizations like AIMCo to create internal capabilities that would otherwise be impossible to do and allows us to invest in a wide range and breadth of strategies, asset classes on a global basis. Without that scale that would have to be achieved in different ways. Second, scale absolutely drives down costs and, in particular, unit costs of managing assets. Thirdly, scale, if managed appropriately, increases diversification tremendously, and that in turn reduces risk

for all of the investors. We’re not here to talk about that entire \$115 billion, but it is the competitive advantages of having \$115 billion that accrues to the benefit of all of our clients, not least of which is the heritage fund.

Stability is also another competitive advantage because it allows AIMCo, you know, in partnership with its clients to think strategically about where it wants to be and how it wants to invest not just in the short term but for the very long term. This allows us to create new strategies over the long term. It allows us to have dry powder and to be very patient. The trick to investing is not necessarily to be smarter than anyone else but to be patient, to be very smart, and to, frankly, buy low and sell high, and that’s what we’re trying to do.

Perhaps my last word is just a blatant plug for something that’s quite new to AIMCo. AIMCo has been around now for 11 years, but only one year ago we created the AIMCo Foundation. This is a nonprofit that was really created by the employees of AIMCo. By the way, 92, 93 per cent of AIMCo’s employees live, work, and have families here in Alberta. The purpose of the AIMCo Foundation is to improve the level of financial education across Alberta, so it’s only Alberta focused. We’re very proud of the work we’re doing. If you are here live – I told you it was a blatant plug – we have some paper brochures that talk about the good work that we’re doing now with the AIMCo Foundation. If you’re watching via technology, you can go to aimcofoundation.ca and learn more about it, but we’re very proud of the work that we’re doing.

That’s all for me right now, and I’m going to pass it over to Mark.

Mr. Prefontaine: Thank you, Kevin, for what admittedly will sound like another blatant plug. If this sounds like a bit of an infomercial for AIMCo, that’s exactly what this is intended to be.

Mr. Chair, committee members, and those here in attendance, and those tuning in online, I’m pleased to talk briefly at a high level about AIMCo: who we are, what we do, and exactly who we do that for. In order to do that, I first wanted to start by talking about AIMCo’s vision, its mandate, and its values. Some of this will sound very similar – and that’s no surprise – to when Mr. Epp talked about the mission for the heritage savings trust fund.

The vision for AIMCo: enriching the lives of Albertans by building prosperity, security, and opportunity across generations. We certainly feel the privilege and honour to serve all Albertans by doing what we do. The mandate of AIMCo: maximizing risk-adjusted net investment returns in a manner responsive to client needs and expectations. We heard earlier about the remit of the heritage fund being to maximize long-term returns. There’s a high degree of alignment between the objective of the heritage fund and that of AIMCo, and that cuts across all of our clients. It’s not just important what we do, but it’s as, if not more, important how we do that, and that’s by the AIMCo staff living its values each and every day of excellence, transparency, humility, integrity, and collaboration.

AIMCo is Alberta’s investment manager. We’re quite proud to say that. We take that role seriously. Kevin alluded to the fact that we’re now 11 years old. We were established in 2008 as a Crown corporation, headquartered here in Edmonton. That said, we do have offices elsewhere: Toronto, London, and Luxembourg.

7:30

Kevin talked about our scale and how it’s important. Well, that scale aggregates to currently \$115 billion spread across multiple public-sector pension plans, the Alberta heritage savings trust fund and associated endowments, other government funds, and specialty funds. Since 2009 we’ve been able to generate in excess of \$60 billion in investment returns, and in combination with benchmark

returns we've been able to add over \$6 billion in value above those benchmarks net of expenses.

Specifically, I'd like to draw everyone's attention to exactly who it is that we're there for. Those clients drive what we do every day, including the heritage fund that we're here quite proudly to talk about tonight, but also large public-sector pension plans here in Alberta like the local authorities pension plan, public service pension plan, special forces pension plan, management employees pension plan, and university academic pension plan. We were quite proud a few years ago to on-board the city of Medicine Hat as a client. Special areas is a client of ours as well. There are also a number of government-related agencies, boards, and commissions that we're happy to serve like WCB, Ag Financial Services, Credit Union Deposit Guarantee Corporation, Alberta Municipal Services Corporation, and the Alberta Securities Commission.

Again, looking at who we're there for and what drives their satisfaction is going to be what we do and how we do it. We are an investment management firm, so first and foremost investment performance. We have to be focused on that, on both an absolute basis and a relative basis. Keeping our eye on what's important, on the strategy and strategic performance, will help drive that investment performance in the long term, equally: doing business the right way. I talked earlier about how it's not just what we do, it's how we do it, ensuring that all of AIMCo staff are clear on doing business the right way and are partners and peers. Operational and financial performance is very important. We have to make sure that we're minding the store, as it were, and if we get all of those done correctly, then client satisfaction will flow from that, and that really is the ultimate goal.

Finally, I'd just like to say that we are here for Albertans, but we do operate globally. As Mr. Epp alluded to a couple of times, we've got assets around the world, pointing out things like the London City Airport. We have assets in Spain, Chile, Asia, Australia. We are a global operator, and it's our role to go out into the world and find those assets that will maximize net returns for our clients. In order to do that, we have to make sure we're attracting and retaining the top investment talent, another area in which we're out in the globe searching for, to draw that talent here to Alberta so that we can serve our clients to the best of our abilities.

With that, Mr. Chair, the infomercial on AIMCo comes to a conclusion, and we're happy to begin taking questions.

The Chair: Thank you very much, and thanks to AIMCo and Treasury Board and Finance for their presentations.

What I would like to do now before I open the floor for questions is that I just want to remind everybody that we encourage Albertans to join the conversation. You can submit your questions for the committee or for our panel of experts. If you're not present in the room, you can submit them via e-mail at committees@assembly.ab.ca or through the Legislative Assembly of Alberta social media on Facebook or Twitter using the hashtag #abheritagefund. Your comments are important to us, and we'll attempt to answer as many as possible.

I'll now open the floor for questions from the in-house audience. There's a microphone to your right. If you'd like to ask a question, please go up to the microphone. Please state your name for the record, and then you can address your question. If anybody wants to do that, you can do that now.

I do note that we have a couple of questions that have come in already over social media, so I'll ask the vice-chair, Member Getson, if maybe he'd ask the first question that's available on social media, please.

Mr. Getson: Sure. Absolutely. The first question is from Meredith, and, Meredith, if you're out there, thank you so much for submitting this. I'm going to read it verbatim, and if there are any clarifications, Meredith, then please feel free to type in again another e-mail for us, and we can get back to you on that as well.

Hello, I have been learning about the potential climate change risks companies face in university. What Alberta Heritage Fund investments are most vulnerable to the impacts of climate change? Also, how do climate change risks impact decision-making?

The Chair: Who wants to take that?

Mr. Uebelein: I'll take the first crack. That's a great question. The role of responsible investing more generally, or thinking about environmental, social, and governance issues as we invest the funds across Alberta are becoming just more and more important. That covers a spread of variables that includes climate risk but certainly isn't limited to climate risk. Our responsible investing team is becoming more and more integrated into the investment process. If we take climate risk as an example, we expect the risk that climate might have a negative impact on our investment to be one of the risks that is absolutely identified and analyzed in every case.

An example of that might be in infrastructure. We would have specific stress tests to say: is this road or this bridge still going to perform under different global warmth scenarios? If it is an equity, the question is: what are the strategies of the management team of those companies to perform not just over the next year but over the next five, 10, or 15 years, and do they have a strategy with regard to the global warming scenarios? It's a great question. It's one that we have to continually adjust and keep thinking about. Even in the oil patch we're talking to management who is working hard to, for instance, lower the greenhouse gas emissions of the extraction process. There's tremendous work that's being done there.

Mark, would you like to add anything?

Mr. Prefontaine: No, Kevin. I think you answered that very well, but I will point out that both information on how we think about climate change risk and all of those risks related to responsible investment can be found in our most recently published responsible investment report. For those of you that are in attendance, we have some copies available here, and for those of you that are tuning in online, you can go to www.aimco.alberta.ca and find our annual report for both responsible investment and for the entire corporation.

Mr. Uebelein: This responsible investment report is a really excellent publication. It sounds like the person who asked this question is in university or still in school. I could really sort of spend the rest of our hour and 20 minutes talking about this, but I won't. I would just encourage anybody who has an interest, whether they're still in school or not, to pick this thing up either physically or online. The exact same thing is available online.

The Chair: Wonderful. Thank you, gentlemen.

There, we do have a question from the floor. Sir, please state your name and then your question.

Mr. Gill: Yes. My name is Kashmir Gill. Thank you for all of the very informative information that you've provided. As a novice investor I'm trying to learn the terminology. I have a three-part question related to risk management. What is the degree of risk of this particular portfolio that AIMCo is investing in? Is this mandated anywhere in the legislation? Thirdly, how would it

compare with a traditional conservative portfolio that an average investor would put their money in?

The Chair: Thank you. Great question.

Mr. Epp: Thank you. I'm not sure about how to measure the degree of risk, but I can tell you that the fund is invested very similarly to the way many endowments and pension funds are invested. It is certainly not a high-risk fund by any means.

Mr. Gill: The typical measure uses a standard deviation that takes it into account.

7:40

Mr. Epp: I'm sorry. I don't have those numbers in front of me, but I can assure you that we take into account many risk measures. We do, with the help of AIMCo, use what's known as value-at-risk measurements. AIMCo has quite a thorough risk-management profile. The statement of investment policies and goals ensures that the fund is well diversified.

Mr. Gill: Sorry. Again, with due respect, your standard deviation is a critical component in looking at the risk that you're exposing your investments to, and there are ways to minimize that. I'm just a novice. I'm just learning, so I thought that this expert panel would have a better idea.

Mr. Uebelein: I'm happy to add to Lowell's explanation. You're absolutely right. Standard deviation, which is talking about what the odds are of certain types of failures occurring, is captured in the value-at-risk calculation. Value at risk is asking: how much value in the portfolio is at risk given the typical volatility in whatever asset class or markets we're in, under a certain percentile? So at a 99th percentile, which would imply 1 in 100, or 95th percentile, which would be 1 out of 20; we're constantly monitoring that, and that is capturing the total risk, if you will, the total investment risk of the portfolio. We're looking for diversification to lower that risk.

A second type of risk that we look at very closely is called active risk. This is the additional risk that we take above the market risk. So if you're a passive investor in equities, you invest across all equities along the benchmark, your standard deviation risk, or your value at risk, is going to be the so-called beta. It's the risk of owning the whole market. If we are charged, as we are, to beat that market, then we have to overweight certain stocks and underweight other stocks. And that incremental risk will change our value at risk, but the incremental risk is what we call active risk. This is the extra risk that we're taking to deviate from the benchmark that we've said that we need to beat. Now, active risk is critically important in evaluating whether we're actually doing a good job or not. If we take a whole lot of active risk, which will increase the total risk, increase that standard deviation risk, but only make a tiny bit of extra return, then the efficiency of the extra risk we're taking might not be viewed very positively.

From a risk-management standpoint we monitor and have limits on our total risk, that are set and agreed to between our clients and ourselves, and then we set active-risk guidelines that are meant to ask the question: can we beat that 100 basis points over 4 and a half and beat our benchmark, and do it using what would be considered a first-quartile manager's use of risk? In other words, a very efficient use of risk. This is a second limitation that we set on ourselves. Our risk team is looking at both total risk, active risk, and if we ever start to look like we're colouring outside of those lines, you know, bad things start to happen. I'm happy to tell you that we haven't coloured outside those lines. Our efficiency in the

use of risk in terms of using something called a Sharpe ratio, which you may have studied, is very, very high.

I hope that's a slightly more satisfying answer, but we don't set specific total risk limits because it's so complex. We have them at each individual asset class, and then we aggregate them.

Ms Jones: If I may, Chair, I'd just like to add something. Everything that Kevin talked about: you can see it in the SIP and G online as well. You can go on to look at the heritage fund statement of policies and goals, and there is a section in there that speaks about risk. That also plays into the role that we have, along with AIMCo, working together. So we monitor that along with AIMCo, and we basically represent you guys. Our fiduciary duty is to make sure that these are in line, and AIMCo works with us to give us any education that we might need or answer any questions that we might have, and then we look at what's in the portfolio and how we want these things to perform over time. So the risks are stated there, in the SIP and G. As well, we have current meetings all the time to make sure that these things are in line.

The Chair: Thanks for that addition.

One last follow-up, and then we'll move on.

Mr. Gill: One comment. I won't take too much of your time. I'm just shocked by one of your graphs showing the revenue that was created by investment, you know, anywhere from \$1 billion to zero. That sort of caught my eye. That's why I asked this under deviations.

The Chair: Thank you. Fair enough.

Let's go to the next gentleman there, please.

Mr. Crutchfield: Good evening. My name is Ken Crutchfield from St. Albert. A comment I would make just from the get-go is that I'm pleased with the management of the fund and how it's been put to work. My question deals specifically with the heritage savings trust fund. In particular, there's considerable acrimony over oil and gas, nonrenewable resources, yet the heritage savings trust fund is driving revenue from the investment and expiration of oil and gas in the province. I'm just wondering: is there a breakdown that shows how the investments of the heritage savings trust fund are invested in the provinces and territories in Canada?

Mr. Epp: I don't think we've ever considered looking at investment returns in quite that way. We look at them by asset class or investment type, not by geography.

The Chair: Would AIMCo like to add anything to that?

Mr. Prefontaine: Yup. Thank you, Mr. Chair. Great question. When we look at both the heritage fund and AIMCo's assets under management across its entire portfolio, right now it's running about anywhere between 7 to 7 and a half per cent Alberta-based investments cut across all asset classes, so that would be equities, fixed income, infrastructure, real estate, et cetera. When you look at institutional asset management, diversification, and the percentage of the Canadian GDP compared to global GDP, right now give or take 3 per cent – AIMCo and the Alberta heritage savings trust fund is naturally overweight when it comes to an allocation to Alberta, but that has been a consequence, not a driver of what our investment professionals do at AIMCo looking for the best investments possible. That's where we're sitting right now, and that's across all asset classes.

The Chair: A follow-up. Yes.

Mr. Crutchfield: If I may, Chair. The reason I ask the question is that I wondered to what extent the rest of Canada and Canadians are aware the extent to which the heritage savings trust fund is making investments in companies that are situated or headquartered in their respective provinces. I just think that, generally speaking, Canadians don't appreciate the extent to which the oil and gas industry here in Alberta, the investments that we're making in even something like the heritage trust fund are actually working for Canadians as a whole and not just Albertans.

Thanks.

The Chair: Good point. Thank you.

Yeah. Please.

Mr. Thompson: Just on that point, AIMCo's mandate under the Alberta Heritage Savings Trust Fund Act is to maximize economic return. When they do that, they're meant to be agnostic as to the geographic location or any affiliation to those investments. One of the reasons that they are overweight in Alberta is that they are located here, so they have a natural expertise. They have, if you will, an informational advantage over investment companies in other provinces or globally, which has allowed them to make excess returns on the oil and gas. That's why you'll see that investment there, but your point is well taken as to the value of corporations.

The Chair: Very good. Thank you. Anything to add? No. Okay. Good.

I think we have one more question online here. I'll get to you in one second. Let's take the one online, and then we'll come back to you.

Mr. Getson: Sure. This next one is from Martin Williams. I'm going to try – there's a little bit of preamble for it, and I'm not sure if the individual is completely aware of some of the topic items. I'll ask the question, and then I'll predicate it so that I think you can give him the answer that he's looking for.

I was very happy to hear AIMCo divested from private prisons.

I do not think Alberta should be making money off assault weapons. I think this is important as assault weapons will soon be illegal in Canada. What is the best way to convince AIMCo that they should not be investing in companies that produce these weapons?

The bit of clarification I'll throw in this is that assault weapons are not available to the general public. They're only for policing, military, SWAT teams, those types of things. The folks that do own assault weapons in Canada are grandfathered into it under prohibited or otherwise, so they're collectors and those types of things or historical groups.

7:50

The other item on that is that many companies that produce weapons for the military also have private industry weapons, if I was to look at Colt or Diemaco or FN, et cetera, that are major international players that supply the market. I guess what I would predicate the question with would be: does AIMCo have assets in one of those larger manufacturing companies for firearms?

Mr. Uebelein: The details on this I'd want to check and get back, but I would welcome a conversation more broadly on this topic. As responsible investors we are constantly asking ourselves: what are the potential industries that we would consider complete no-fly zones? Right now that's a very short list because we prefer to utilize voice over exit whenever we can. What I mean by that is: if we think that companies are doing something that is not good for the environment, not good for society, as an investor we can have a conversation and we can have a voice and we can both change

behaviour and at the same time reap an economic return as that positive behaviour results in greater asset prices.

An excellent example of this, which doesn't have to do with arms, is: we were heavily invested in some of the retailers that were purchasing goods from sweatshops that were really an anathema to anyone who ever saw or witnessed what was going on in those countries. It would have been very easy for us to just drop those stocks, particularly as the heat from public scrutiny of those types of organizations rose, if you will recall, a few years ago. Our strategy was to first and foremost engage with those retailers, and what we witnessed was a transformation in their behaviour. We don't think that that's always going to work, and sometimes there's going to be a calculus by AIMCo where we say the combination of the issues, the reputational risk to AIMCo or to Alberta, and our ability to effect change, where we will decide to exit as opposed to have voice. These two very small prison stocks were an example of that.

One of our other no-fly zones right now is weapons of mass destruction, but that does not include, you know, firearms. But it's something that we constantly monitor.

The Chair: Thank you very much.

Sir, your question.

Mr. Voss: Yes. My name is Jerry Voss, and I've been a public servant for over 40 years. I retired from the University of Alberta, and I paid through my pension into the public service pension plan. I am a senior, and, you know, we have no legislation to protect the seniors here in Alberta. When you come to me and you explain to me and tell me \$115 billion, my brain can't comprehend that. I worked all my life, and I worked at the university, but we gotta look at our Albertans. I don't know of any other province in Canada that you can tell me that you've got a \$115 billion, 31 clients. My brain doesn't comprehend. This is all new to me. I just wish it would be more in the media. I wish you'd put more into the news about what's going on in Alberta with investments. Are we the only richest province that has \$115 billion? Is there any other province that can beat us what we have in Alberta?

I'm dumbfounded, so forgive me. I am a senior. I worked at the university. I started as a special constable. I have my basic – I worked in senior administration at the university. I found a lot of corruptness. I've seen faculties shut down because of unaccountable monies in the millions and millions of dollars. I had to take early retirement. It's sick when people lie. I stand in courts many times where people are not telling the truth. We get audited all the time. But I am a senior. I am 70. What do we got for seniors? I worked all my life and to see \$115 billion, that's like – I can't comprehend it. I'm surprised there are not more people here to know of this. If there was, then they'd know the information you have invested in Albertans.

What have you done for the young? What have you done for the seniors? What have you done for the people in the homes that are – we just came to a nursing home, from the richest to the poorest. Someday I'm going to wind up in there, God forbid. Maybe I want to live in Italy. I don't know. But the controversies here in Canada – you just had a big federal election. Now we had Kenney come with Conservatives. Where are we with all of this? Can you give me an eyesight politically with all this beautiful investment of \$115 billion dollars?

Thank you for your time.

The Chair: Thank you for your question, sir. I'm glad that you were able to be here tonight. Obviously, some of the marketing and advertising that our comms team did get through to some of you.

We do try to do some of that as a committee, and I take your point that our role is to help Albertans know about the trust fund and what it does. There is stuff on the website. Both Treasury Board and Finance and AIMCo have quite a bit on the website, which is available to everyone. With regard to your other question about other provinces, maybe Treasury Board and Finance can respond to that a little bit. What do some of the other provinces do? Then maybe I'll pick up to about another part of your question, but let's start with that part first, other provinces.

Mr. Epp: With other provinces, certainly, there are large pension plans in other provinces. The Canada pension plan, which is managed by the CPP Investment Board, has well over \$200 billion in assets, and it's growing quite rapidly. In Ontario there are a number of large pensions. Ontario Teachers' Pension Plan is one of the largest institutional investors in Canada. There's another plan called OMERS, the Ontario municipal employees retirement system. That's another sizable fund that would be in the similar range to what AIMCo manages. In B.C. they have an investment manager that invests on behalf of some of their public pensions.

Mr. Voss: How much?

Mr. Epp: I don't know for sure, but it would be in the range of the \$115 billion, probably a little bit more.

Mr. Voss: I've never heard of it.

Mr. Epp: It's called BCI. In Quebec they have a unit called la Caisse de dépôt, and there are some other French words that I can't pronounce. They have also probably about \$150 billion in assets under management. So there are many examples similar to AIMCo and similar sizes to AIMCo across the country.

The Chair: Thank you very much.

Maybe, then, the last part of your question I think I heard is: how have we helped youth, seniors, different individuals? Just in this year alone, as reported a little bit earlier, some of the earnings from the fund are every year, except when there aren't excess funds to take – every year then they are transferred to the general revenue fund, which is Alberta's fund. They get funnelled in to the budget money that was announced today, and it goes towards social services and seniors and housing and education and all these other different things every year except for some of the difficult years. But this year \$563 million was transferred from this fund to the benefit of Albertans and the programs that the government serves and offers. I don't know if any of you want to add any to that, but I think that's part of what's happening here.

Okay. I think we have another question online.

Mr. Getson: We sure do. This one is from – oh, shoot, I gotta scroll here for just a sec. It's from Tracey. Thank you, Tracey, for sending in the question. She has two questions actually, so an omnibus if you would.

Number one: "Given the current downturn in oil and gas and the backlash against future progress, has there been any discussion about using the entire holdings of the fund to invest in new sustainable energy programs in Alberta?" I'll just ask the first one and let you answer.

8:00

Mr. Uebelein: We have invested broadly in renewable energy but not at the cost of not investing in oil and gas. It's not an either/or; in our mind, it's both. We talked about the role of responsible investing and thinking actively about the long term in things like

the use of carbon and global warming. When we invest in oil and gas, we expect those management teams to be thinking actively about their strategies, but we believe that the role of oil and gas in society on a global basis is here for many, many more years to come. But we're very excited about the renewable energy that we've invested in as well.

Mr. Getson: Then the second part of the question was: "When making investing decisions do you consider factors other than [return on investment, or] ROI, such as ethical trading practises, environmental and social responsibility?" I think you might have answered them already, but I'll let you answer this directly.

Mr. Uebelein: Yeah. I'm really pleased that these are recurring themes. What I try to continue to stress, though, is that we believe, as long-term investors thinking about those issues, that they harmonize with maximizing investment return. In other words, businesses that are thinking about how they are going to treat the environment, their own employees, society at large, how they're going to govern themselves: these are the classic three areas that we call ESG investing, or responsible investing. These are the companies that will outperform and outcompete management teams that are looking for a cheap buck and looking at the short term. If we were day traders – I say this all the time – we wouldn't care a whole lot about those long-term objectives of a management team, but we're not day traders. We're looking for 10-year returns.

Mr. Getson: Perfect.

The Chair: Good.

Another question?

Mr. Voss: I just want to know: do we really, in your view, have a serious issue of concern of climate change? We had an individual come all the way from Sweden. Can you give me some feedback on what your views are? Do we have a real, serious issue of climate change here in Alberta? Please, give us some feedback.

The Chair: Okay. We'll take that question with regard to the fund and the decisions that are made that way. I think that's a fair and reasonable question. I don't know if Treasury Board wants to respond to that or AIMCo.

Mr. Uebelein: You know, I think the question of how real this threat is and at what pace is, with all due respect, above my pay grade, but as someone who's investing for the long term, I will say the following: society has decided that carbon is a real cost that is doing real damage to the Earth. We're still struggling to try to find the way of placing a price on that real cost. We know intellectually that it's not free – it's not like oxygen – that we have to place a price on it. This is for governments to sort out.

But as investors we have to think actively about a cost that right now isn't being captured in a P and L, and it's not being captured on a balance sheet. We think really hard about – again I'll go back to: what are the strategies that our partners, the management teams in these companies, have when they're thinking about society's desire to limit global warming to 1 and a half or 2 per cent or 3 per cent? If they don't have well-formulated strategies to be a part of that, then we worry whether or not they will be competitive. My views on this are squarely within "How does it effect my investment decisions?" as opposed to making a political view on: is this real, and if it is real, how big a problem do we have?

The Chair: Thank you.

Were you wanting to ask a question?

Mrs. Kuffner: Yes, please.

The Chair: Please.

Mrs. Kuffner: My name is Lorraine. I live over here in Oliver, which is not very far, so I walked over. One of the things that I'm hearing here tonight is the fact that people don't seem to realize that there are benefits and services available from the MLAs' offices to do with seniors. There's staff that's knowledgeable, friendly, cooperative. I believe, from what I'm hearing tonight, that perhaps we need to invest some of the heritage fund in communication so that the seniors understand what's available because it seems to me that we need to do a broader picture of having that happen.

The other aspect of that conversation is the fact that we do now have a Seniors minister on the federal level. Perhaps it's time that we had a very distinct one on the provincial level.

Thank you.

The Chair: All right. Okay. I appreciate those comments. I take your comments, and they have been recorded. I can assure you of that.

I don't know if there's need for a response to that. Does anybody want to respond?

Mr. Jones: You should tell her about the seniors minister provincially.

The Chair: Actually, yes, there is a provincial seniors minister. Minister Pon, right?

Mr. Jones: Correct.

The Chair: You can, again, contact her at her office. But you're also absolutely right, that every MLA's office is there to assist and help you find those services. Thank you for the comments, okay? I appreciate it.

Do we have more here?

Mr. Getson: Yeah. We sure do.

The Chair: Yeah. Okay. Let's go back to the online for one, and then we'll come to you, okay?

Mr. Getson: This one is from Robert. Robert, I apologize right off. I'm not even going to say your last name, in case I am so bad at pronouncing it that I don't mess it up. The comment here is:

I read on Wikipedia the total royalties that have been paid to the Alberta Government has been \$190 billion since its creation. The fund has never surpassed \$14 billion and the information provided is that the successive Alberta Provincial Governments, almost entirely Progressive Conservative Governments, have raided the cookie jar for investing in what proved to be failed businesses, ie [corporations].

I'm not sure what the question is, if maybe just a restatement of the facts is what he's looking for. Wikipedia is great. It sometimes might have multiple authors.

The Chair: Anybody want to take a stab at that one?

Mr. Epp: I would remind the questioner that the oil and gas money that was deposited in the heritage fund has contributed over \$40 billion in income to government priorities over the last 40 or so years. Not only has it done that; two endowments were created out of the heritage fund, the medical research endowment and the scholarship fund. Both of those we haven't considered really in that \$43 billion. Those have funded students, and it's funded medical

research for many years. So it's not that that money has not been used at all.

The Chair: Okay. Thank you.

Mr. Getson: There's a second part to this question. It just came through here, Mr. Chair. Do you want me to continue with that, or do you want to go to another one?

The Chair: No. Let's finish one at a time. Yeah, go ahead.

Mr. Getson: It says:

Although the AB Govt is a provincial one, the comparison to Norway is somewhat fair who have about 320 billion in their savings fund. Of course, transfer payments have been made which have dipped into the royalties and taxes. How has your committee done any better in managing and or increasing the earnings redeposited . . . into the fund and do you have reports which discuss such? What are the permitted expenditures from the fund and when are those approved and how are they approved?

Mr. Epp: The last question first. Under legislation all investment income except for the amount needed to protect the fund against inflation is transferred to the general revenue fund, and that money is used like all other tax money to fund the government's priorities, whatever they may be.

As far as the first question about Norway, I would mention a few things that are different in Norway than they are in Alberta. The fact that Norway is a country on its own certainly makes a large difference. They've already been pointed out by one individual tonight, the contributions that Alberta makes to the rest of the country. On a net basis we certainly benefit Canada, which is a good thing.

8:10

Secondly, Norway has a 23 per cent sales tax; Alberta has none. They've clearly made different choices with regard to taxation, which has allowed them to save more. If this government or a previous government chose to tax a lot more and save that money in the heritage fund – well, I don't know – that's up to lots of people's opinion of how that would go over.

Thirdly, Norway's oil is sitting on tidewater or under tidewater, as it were; Alberta's is not. Norway's oil is light sweet crude. Alberta's oil: primarily, our reserves are bitumen. Those are two entirely different products, and I would say that a comparison between those two products is not a fair comparison.

We get this question a lot, and that's the answer we provide.

The Chair: And maybe I would just add: from the committee's point of view, just to clarify, I think the question really, in some ways is addressing two separate issues. One is the governance side, how the fund is mandated by legislation and the government to be operated. The other half of the question is how the money that's in there is actually financially managed by AIMCo, and that's their job. Clearly, AIMCo's side of the equation is clearly reported to us: over 10 per cent return long-term, after expenses, which is a great return, by the way, compared to other funds. So they have done their job very well.

In terms of the mandate side from the government, initially the government was putting funds in from natural resources. It started out at 30 per cent of the natural resource revenue. That was in '76. In 1982 they reduced that to 15 per cent. Then in 1995 there were some discussions and a survey, even, of Albertans in '95 to '97. The fund then was sort of retweaked in the sense that it was only to focus on the long-term benefits to Albertans. Then in 2006, again

government tweaked the mandate a little bit and began the inflation-proofing part, which wasn't there prior to that. In 2007-08, in that range, we had a net of, I think, about \$2 billion again added to the fund through surpluses from Alberta government budgets, really. Then in 2016 the Alberta growth mandate was added. That's how we get to where we are today.

Monies are added to the fund when the government is able to and when the government mandates that to happen, but that's completely outside of the control of AIMCo. They manage what they're given; the government decides those parts of it, just to clarify those two sides and parts of it.

Okay. Let's move on. Your question, please.

Ms Kawchuk: Hi. My name is Risa Kawchuk, and I think my question has been at least partially answered by what was discussed previously. I was going to ask about the principle by which it was decided how much was going to remain in the fund to continue to grow versus how much was being pulled out. I could see that in the years when the fund didn't make money, nothing was being pulled out, and there was that amount accounting for inflation.

I guess I'll change my question slightly and ask about: is there any mechanism or plan to change the focus on how quickly the fund grows? If you're growing at 8, 10 per cent a year, that's really good. Why not pull less money out and let it grow at that more rapid rate so that we're setting up even better for future generations?

The Chair: I'm not quite sure I understand what you mean by "pull that money out."

Ms Kawchuk: What I mean is that every year you're pulling a certain amount of money that is over the amount that is being left in the fund to grow for inflation or to account for inflation risk or something. If you don't take that money out for the general revenue – or you review: how quickly do we want the heritage fund to grow? If every year anything above and beyond the inflation risk we're going to pull out, we're going to pull out, we're going to pull out into the general revenue fund, then that's limiting how quickly the heritage fund can grow. The heritage fund is growing at an impressive clip. It's above a benchmark, which I'm assuming is something like an index fund, so that's good. Why are we not leaving more money in there to grow given that we're looking at the long term?

The Chair: I think that's an Alberta Treasury Board and Finance answer.

Mr. Thompson: For sure. It's a great question. It is a policy choice of government, really, at the end of the day. But if we were to not pull out – say we earned \$2 billion this year and, rather than pull it out of the fund, we left it in and gave AIMCo that extra \$2 billion to invest. What that means is that we would either have to run a deficit \$2 billion larger or increase revenue by that \$2 billion.

Ms Kawchuk: So right now it's not going to happen.

Mr. Thompson: Right now it's just not economically feasible.

Ms Kawchuk: Is there a mechanism down the road where it could happen?

Mr. Thompson: That would be a decision of the Legislature. It would require an act of legislation to change the mandate.

The Chair: Very good.
You've got more?

Mr. Getson: I do have one more.

The Chair: We'll go back to the online, and then I'll come to you, sir.

Mr. Getson: This question is from Rory J. Koopmans. Thank you, sir, for taking the time to type it in.

Why isn't it possible for any Albertan to go into the offices of the financial companies running the Ab. Heritage [trust] Fund anytime throughout the year, and multiple times to get a closer look at the books? Sort of in a "real time" fashion. I would think that this would give Albertans more confidence overall if they had 24 hour access [all] year round rather than just feeling they can really only see things close up at your Annual Public Meeting.

Mr. Uebelein: Well, I would say that the Internet almost gives you that virtual ability to see what AIMCo is doing 24 hours, seven days a week. It's clearly not the same thing as being able to walk in, but for all sorts of reasons – security reasons, confidentiality reasons – that's not practical. We stand by, you know, one of our core values, transparency. There is a tremendous wealth of information that you can find out about what AIMCo is doing, why we're doing it, what kinds of decisions we're making. It even astounds me sometimes when I can't sleep and I go online and I just start looking and looking and looking. This individual: I would really invite them to take that virtual reality tour of what we're doing.

The Chair: Okay. Perfect.

Mr. Epp: I would add to that that there are quarterly reports available for the heritage fund. Again, they're on the web. If you type in "heritage fund" or "Alberta heritage fund" or something like that into your browser, I'm sure the correct website will come up, and you'll find the quarterly reports, which are available quite readily.

The Chair: And maybe, lastly, I should add that this committee has quarterly meetings to review those quarterly reports, and they are open to the public as well, so there's a lot of opportunity there. I would just add that if you had specific questions, contact one of these two groups or even the members of the committee, and we'll get you the answers that you're looking for.

Sir, your turn.

Mr. Gill: Yeah. My question is similar to the previous question and maybe somewhat hypothetical. We heard that \$43.5 billion has been returned to the general revenue fund. My question is: if all the investments were retained in the fund and allowed to accumulate compound interest, what would that number be today?

Mr. Epp: We've never done such a calculation. Some people have tried. You need to make a large number of assumptions of how that money would have been invested before you can come up with that number, so we don't even try, to be very honest.

The Chair: Do you have another one?

Mr. Getson: No. That's it here.

The Chair: Okay. Yeah. If there's anybody else from the audience who wants to come up to the mic, you're welcome.

We don't have any more online at the moment, so I'm going to open it up for committee members if there are any committee members who would like to ask a question. I saw Michaela first – pardon me; Member Glasgo – and then Member Eggen.

Ms Glasgo: Okay. Thank you, Chair. You can call me whatever you want as long as it's nice, so I'm not really too offended by that.

As a global operator – and I guess this question is probably for both. World events and protectionism from certain countries, including unrest and uncertainty with things like Brexit or even at home here with the potential for large deficits decreasing the value of the loonie: how do those kinds of decisions impact your investment strategy?

8:20

Mr. Prefontaine: It's those kinds of events that our investment professionals are monitoring on a daily basis. If anything, we've probably seen volatility in the markets increase as a result of some of the events you refer to: Brexit, trade pressures, et cetera. At the same time that volatility increases, so does opportunity, and this is where having that global presence and monitoring and taking action where there is that opportunity becomes important and why it's so critical that we're able to attract and retain the talent that we do.

Ms Glasgo: Okay. That satisfies my question. Yeah.

The Chair: Okay. Thank you.
Member Eggen.

Mr. Eggen: Yes. Thank you. I was intrigued by your mention of your education foundation and its focus on financial literacy. We know that in building a new curriculum for K to 12 students here in Alberta, I think there's both a need and an appetite for focusing on financial literacy at a younger age and having that continue through each grade level. I had a number of credit unions, including ATB, and universities working on contributing to financial literacy, and you know what? I just forgot about you guys, but it's an obvious place to look for expertise and competency to help build school-age curriculum around financial literacy. Have you thought about that at all with your foundation?

Mr. Uebelein: The foundation is just a year old, and the way I would describe it is that – I'm very proud of this – there's over 70 per cent of AIMCo employees who are engaging in one way or another in working for this outside their day job and helping to make the foundation successful. In many cases that's from just donating some of their money.

The foundation is trying to expand financial education in Alberta, really, in two or three ways. One is that with the money we raise, we then have a granting program. So we are looking for grassroots organizations all across Alberta who either already have a program for some form of financial education – and this can be either in the classroom or, frankly, at every age group. There is a real need for adults and for the elderly to understand better some of the risks that are in the marketplace. That's grounded in a better financial education.

The second way is through scholarships. Everybody at AIMCo is passionate about the industry we're in, and we want to promote opportunities for Albertans to make this their calling as well. We want to enlarge the know-how and the financial empowerment across everyone, but for people who want to make it their career, we want to help them through scholarships as well.

The third way that we're trying to find ways to help is that when we grant to these grassroots organizations, we're looking for opportunities for our employees to actually be some of the so-called sweat equity to help them out, if that's in teaching a course or going to classrooms.

What I would encourage you to do is that if there's an opportunity for the AIMCo Foundation to grant money to one of these areas with a very refined program where – we're trying to make sure that

the money that we grant is actually going to be working, that we can monitor that, that we can help it.

Mr. Eggen: Thank you very much. That's very useful information.

The Chair: Thank you.
Do we have any more online?

Mr. Getson: No.

The Chair: No. Okay.

I just do want to comment before we go to Member Allard. If there are any other folks online that would like to send in a question, please do so. This is truly your opportunity of the year to ask questions. Same thing to the audience: if anything pops into your mind that you would like to know about, please don't hesitate to come to the mic.

In the meantime Member Allard has a question.

Mrs. Allard: Yes. Thank you, Chair. I have a couple if that's all right. I think they're fairly simple to answer. The first one is simply for the information of everyone here and for my constituents in Grande Prairie. I often get asked about the fund's investment directive. How often is it reviewed by the minister, and are there any significant changes in the directive to AIMCo for the period under review?

The Chair: That should probably be a Treasury Board question.

Mr. Epp: Yes. That's certainly our responsibility. We review the investment policy regularly, but we are planning to do a thorough review in the near future. It's one of our priorities. Obviously, from time to time we have made changes, and the Alberta mandate is one example of that. In 2011 we had a major change in the way the fund is managed. We moved to far more global equities, to far more infrastructure and inflation-sensitive assets, moving away from Canadian-only assets, and good thing that we did because Canadian equities have been one of the worst performers among equity markets across the world. We do regularly review it. Obviously, the minister has had other priorities recently, but certainly we actually have something scheduled in the near future.

Mrs. Allard: Okay. Thank you.
My follow-up if I may?

The Chair: Yes.

Mrs. Allard: My follow-up, and you alluded to it: has the Alberta growth mandate improved the fund's performance and – I guess this may be directed at AIMCo – does the requirement pose any challenge for you to attain or surpass the return on the fund?

Mr. Prefontaine: Yup. I'll take that. Thank you very much. First, if you don't mind, I'll supplement Mr. Epp's response to the first question because I think it's important to draw your attention to previous comments by Mr. Epp talking about how that allocation process is made and the fact that, when they set the strategic allocation, they're providing ranges which AIMCo can operate within. The need for and the frequency of reviews of those strategic allocations is mitigated because of that. It emphasizes the point that Ms Jones made earlier around their oversight of what we're doing and our transparency to them as the management team responsible for that.

To the second question, around the Alberta growth mandate and if it has improved or not improved what would have been the performance of the fund, I will point to the fact that the first screen

that occurs for any investments that go into the Alberta heritage savings trust fund or for any of our clients is: is that the right investment that's going to provide the right returns for our clients? Only after it meets those long-term maximum risk-adjusted return requirements will we then apply the criteria that have been agreed to with Treasury Board and Finance for those investments that would qualify for the Alberta growth mandate.

The simple answer is: no, it hasn't affected the return because of the Alberta growth mandate as much as that subsequent review: is this something that qualifies?

Mrs. Allard: Perfect. Thank you very much.

The Chair: We have another question at the mic. Your name please and your question.

Ms Borlé: Hi. My name is Elyse Borlé. I want to follow up on Risa's question, and that was about the growth of the fund. For example, should we leave more of the returns in there so there's more to invest and grow the total fund faster? I believe the response was: at the end of the day, it's basically a policy choice. My follow-up is – it's two parts; sorry – what is this committee's role in commenting on or offering guidance to the current government about these policy decisions? The second part: is this committee convinced that the current policy best uses the heritage funds for Albertans today and tomorrow?

The Chair: I could answer that, but I don't need to dominate here. Does anybody on the committee want to respond, or I will?

Mr. Getson: Maybe I could, too, if you want. If you want to weigh in first.

The Chair: Go ahead.

Mr. Getson: I guess, with the fund itself – I'm the new guy in the room when it comes to this, obviously. I had similar questions. One of the reasons why I expressed interest in being part of the heritage trust fund committee was I wanted to do exactly what you folks are doing here today, see what's behind the . . .

Mr. Eggen: Ron.

Mr. Getson: Not "run." Oh, sorry. Were you – oh, okay. I thought the gentleman to my right had said "run," but, no, it wasn't "run"; he was actually saying the chair's first name. No, I didn't want to run.

The reason why I wanted to be here was to see what was behind the veil, honestly, to see how things were managed. When you're out there in the normal civilian life, if you will, and you're looking at the answers in the canned media reports, you have those questions, whether it's Norway or otherwise or "should we build or grow this more?" Seeing this here has given us that vantage point, and having the individuals from AIMCo and Treasury Board here has really been excellent.

If we're going to change policy, there's one of those things. Today is budget day, and that's a huge milestone. Given the economic conditions and given some of the decisions that we have to make, both from parties and nonpartisan, we have to have those debates within that House. That really comes back to the Legislature itself and determining what that best path forward is.

Not speaking for the committee, if we were lighting up the scoreboard, if the economy was just going again, I personally would say: yeah; let's put a little bit more in the kitty, like they've historically done in the past, and maybe we can tweak it. But at this current point, from what I'm seeing and these budget reviews, we're

going to need that revenue to keep the lights on and to make sure that we keep the economy growing and to cover off a lot of the needs and services that we have.

8:30

It's not bad management by having that; it's actually a pretty good tool in the box. I think that was part of the intent of the heritage trust fund, being that rainy-day fund when we needed that help or we needed that access to the cookie jar, as one person put it, that we can tap into it when we need to. But like anything with the cookies, if you get addicted to the cookies, you're going to rot your teeth out. Maybe there's a point when we get things rolling again, and then we can start replenishing. That's just my personal opinion, and hopefully that gives you some insight.

The Chair: Thank you.

I think Member Eggen would like to add a comment as well.

Mr. Eggen: Yeah. Thank you. You know, I'm sort of in a unique position where I was on this committee 10 years ago, so now I'm just back again, and what I've seen during that time is a real evolution, where the heritage trust fund has, I think, met a need as an investment arm of our government – right? – to ensure stability. That money that they are putting back into the annualized budget I think is a demonstrable way by which they're showing competency and a good sense of long-term investment for Albertans. Spending that capital I just don't think is in the best interests of anyone, really.

What I would like to see – because we wouldn't think of this committee nor this trust fund or AIMCo as a static entity by any means. As we evolve, I think we could look to – like, the one that I think that a lot of Albertans would always think about and think hard about is: to what degree should we be investing in the Alberta economy? I know that there are two things you have to look at here because, of course, if the Alberta economy is not doing as well – right? – you want to maximize your assets and your returns on investment. But then, you know, this is money that you could help to start – it's almost like a chicken and egg thing – to stimulate the economy in Alberta even during this economic downturn. I think they do a good job of balancing those issues as well. But, I mean, for us to have that percentage of 2, 3 per cent in Alberta investment, I think that's something that the public should always think about and reflect on, as should elected officials and senior management of these investment entities.

As well, you see and hear it a few times around the table, but having some sort of sense of efficacy around investment I think is a dynamic that we always have to think about, too – right? – in terms of, you know, perhaps gender representation as well, efficacy around investing in certain things. I mean, obviously, we're an energy-producing province, and it's important for us to be strong as energy leaders but to look for diversity and diversification as well.

So yeah, 10 years, back in the chair, and it's interesting to see what's going on, right?

The Chair: Thank you, sir.

Member Allard, you have a further brief comment?

Mrs. Allard: Yeah. I just wanted to respond to your question from a different perspective. With respect to the mandate of this committee, our mandate really at this table is oversight and just to look at the fund and how it's performing and make sure that it is in fact doing what it was meant to do. I think the mandate comes from Treasury Board for the fund itself, and the members around this table represent, at this time in history, two different political parties in their own caucuses. I think that's where we would make different decisions and lobby our respective perspectives to change the fund

if that's what was wanted. As a private citizen you would have the opportunity to speak with your MLA or representative or, certainly, write in with your concerns if you'd like to see us change that in the future. That would be something we would have to consider at the Legislature but certainly not at this committee.

The Chair: Member Jones, did you want to comment?

Mr. Jones: Yeah, just very briefly. Alberta currently has around \$62 billion of debt. We pay a little over \$2 billion a year in interest approximately, and we're on a trajectory to be over \$90 billion of debt with over \$3.4 billion in interest payments. If we as a province were able to get our spending under control, which is what our government has committed to do, and if down the line we were able to pay down the deficit, we would no longer be spending \$2 billion to \$4 billion servicing debt. I think a great place to put the \$2 billion to \$4 billion that we're currently sending to bankers and bondholders elsewhere would be into the Alberta heritage savings trust fund. Then we could earn compound interest on it, and we'd be in a much better financial situation.

Thank you.

The Chair: Does that work for you?

Ms Borlé: Thank you.

The Chair: Thank you.

We do have another question online.

Mr. Getson: No, actually, we don't. I'm sorry.

The Chair: Oh. I thought you did. I'm sorry. Okay.

Let me see here. I'm keeping a list. Member Singh, did you have a question?

Mr. Singh: Mr. Chair, my question is to AIMCo. Given that you have invested a lot in Alberta and I know that a lot of Albertans would want to know, how much of the fund is invested in Alberta, and how much of that is invested in the oil and gas industry? And, in relation to that, how much is the income? If you could provide the percentage, that would be preferred.

Mr. Uebelein: I'm going to unpack your question a little bit and answer the ones that I know off the top of my head while Mark here looks for more.

I think, as Mark said earlier, the heritage fund investments across all types of investments in Alberta is around the 8 per cent mark.

Mr. Prefontaine: Correct; 7.8 per cent.

Mr. Uebelein: So 7.8 per cent. When we think about the size of Alberta as a percentage of the global economy, because we are a globally diversified portfolio, it's roughly one half of one per cent. So if we are at 7.8 per cent, we are in a roughly 15 times overweight if you think of it from those perspectives. But I think, as maybe Stephen or Lowell said, the reason we have been overweight and have been so proudly invested in Alberta is a function of how Alberta has been for many, many years the growth engine of all of Canada. There is a home field advantage. We understand the investment risks and potential returns, for instance, of a real estate transaction in Calgary or Edmonton much better than the exact same set of facts if it's in Singapore because we live here, so we understand the very fibre of those investment opportunities. That would naturally lead us to be more inclined to take those investment risks, because we understand them better.

Then, finally, all of the obligations that we're trying to cover, either adding revenue to the general revenue account for the heritage fund or making good on pension obligations for our other clients, are all in Canadian dollars, so there's another bias towards investing in Canada more generally.

Eight per cent, the investment in oil and gas in Alberta: a majority of our investments are in oil and gas because oil and gas is the primary industry. I don't have the exact number, but well over 50 per cent of our Alberta exposure is in some form of energy or pipeline, and the rest would be – one area is primarily in real estate, agriculture. We have made some sizable renewable energy investments here in Alberta as well, because it gets quite windy down south, and it turns those turbines quite well.

Mr. Prefontaine: I'll just supplement, Kevin, if you don't mind, the response using that as a segue, in that our home field advantage often translates into advantages that our partners would wish to take advantage of. We get inbound phone calls, and not that long ago on behalf of the heritage fund we entered into a renewable energy investment in southern Alberta, wind farm energy production, used in partnership with an international investor. That home field advantage works multiple ways.

The Chair: Very good. Thank you.

Anybody else? Oh. I'm sorry. Yes, please, sir.

Mr. Gill: Hard-working Albertans, where we have sort of limited disposable income to invest: of course, we're very concerned about the rate of return. One of the things that sort of catches my mind is the management expense fees that are charged. I'm just wondering. From this group I think I heard a 1 per cent active management fee. Is that the total fee for the fund, or is there a higher number?

Mr. Uebelein: I'm not quite sure what you meant by that 1 per cent, but you've given me an opportunity that I will take to talk a little bit about AIMCo's costs, the fees that we pay, and the costs that are then charged to the government of Alberta for the work that we do.

Firstly, AIMCo is nonprofit, just a cost-recovery organization, so the cost of managing the heritage fund is simply the cost that AIMCo incurs plus zero. There's no concept of AIMCo charging a fee; we just recover our costs. We try to work very hard to keep those costs low. As I said earlier in my remarks, scale helps to drive down those unit costs.

8:40

Roughly 80 per cent of the assets that we manage are managed in-house, and that can be extremely efficient. About 20 per cent of our assets are managed through third-party managers, and these are in cases where we believe that the expertise is impossible for us to replicate in-house, either because it's highly specialized or it is in a place around the world that we don't have the adequate skills or in some cases scale to create that capability set. Those would tend to be in equity strategies, either private or hedge fund type of equities.

When we look at our costs, which could be construed as the fee that we're charging, it's very simple. We can take our total expenses and divide by our total assets, and it comes out, overall, as around 53 basis points, which, compared to the fees for this kind of a very diversified and sophisticated portfolio that you would try to replicate anywhere else – trust me – is excellent value for money. When we unpack that 53 basis points, though, or if we unpack all of our costs, the 20 per cent of our fees that we pay to third-party managers, roughly, on a year-to-year basis represents almost two-thirds of our total costs. It's sort of the 80-20 rule. This is more evidence that we're paying high fees to very high-performing strategies, typically with performance fees attached. Whenever we

think we could replicate those strategies and bring them inside for lower cost, we would obviously do that.

The last point on this – and I fear that I'm really overanswering your question, but you gave me the opening, and I'm going to take it. In those instances where we're paying third-party managers, this is another instance where having \$115 billion of scale allows us, we believe, to try to drive the best possible bargain. In some cases it's a few basis points lower. In other instances we can have meaningful discounts from what a smaller investor might be able to negotiate in terms of fees with these managers. We think that in all cases our scale is really benefiting us.

The Chair: Just to be clear, overall, fees to the entire fund is 53 basis points, or half a per cent. Is that right?

Mr. Uebelein: I'm talking about AIMCo in total. This is rough math, but if you take our total budget as the numerator and total assets as the denominator, it's 53 basis points. Now, each client is going to have a different numerator and denominator based on their asset class allocation.

The Chair: Fair enough.

Mr. Uebelein: So if you're in higher cost asset classes based on your asset allocation, it will be higher. I've just been poked with a stick to say that the heritage fund is closer to 75 basis points, but that is purely based on the asset allocation decisions that have been made, you know, by Treasury Board and Finance.

The Chair: So three-quarters of a per cent, which is still a very good number.

Yes, please add.

Ms Jones: If I may, just as an addition, the 1 per cent that you did bring up, that was an active management return. That is what AIMCo strives to beat. The numbers that we did report, that Lowell was talking about earlier, were net of fees. AIMCo does take that into consideration as well when driving their value-add decisions.

Mr. Gill: Thank you for the clarification. When you talk about basis points, it seems like a very small number, but for some of us who can't fathom that, can you translate how that converts into actual, real dollars?

Mr. Prefontaine: Sure. In the annual report you'll see that for 2019 the costs were \$134 million.

The Chair: On \$18 billion?

Mr. Prefontaine: On \$18 billion. And that's how you get the 75 basis points.

The Chair: Okay. I think the next one I have is Member Getson. You were going to ask a question?

Mr. Getson: Yes, sir. Thank you, Chair. Mine aren't as cerebral as the gentleman's in the back. In my household my wife takes care of that. She often laughs at how I can fly an aircraft but I can't multitask devices here. So this is really challenging me.

But without the preamble, how are global events affecting Albertans and the heritage trust fund right now? There are, you know, some concerns about a potential impact of global recession. You kind of have some protectionism-type items that are taking place. You have some political changes in the U.K., U.S.-China relations. How is that kind of playing into the crystal ball effect, and

how would that impact decisions made on where to invest in the next year?

Mr. Uebelein: Well, I'll say that all of these factors have caused capital investment – think of that as a company's decision to invest capital to grow their business – to be much more cautious and for other investors to just be more cautious generally. Then when you compound that with the peculiar issues that Alberta faces with the challenge to get its oil to market, we see the oil and gas industry here in Alberta in a particularly funk situation, where the cost of capital, if you can find it, from the investors on a global basis is very high or, to put it the other way around, the willingness to invest in that sector here in Alberta is at a very low level. The cost of borrowing is exceedingly high, and the only equity investors that we see are specialist investors. Broad-based equity investors are not investing in that oil and gas sector.

As I think Mark said earlier, if we believe that these are temporary headwinds, then these can be opportunities for very long investors, but I have to tell you that taking a stake in some of these businesses, as we have done, is not for someone who doesn't have a strong constitution because we will see these things continue to be marked down and put at risk before we come out the other side.

Mr. Getson: I guess that was going to be my follow-up question. You know, some of the things that we hear, too, are that we have some undervalued assets, and that literally is what's taking place in Alberta, not specifically from you folks but other folks out there that are looking at potential opportunities for looking at some of these underperforming companies, if you would, that have decent assets that they might be able to apply their management styles to, to come out the other side, like you said. That makes a lot of sense.

Mr. Uebelein: I think that's right.

Mr. Getson: Okay.

The Chair: Member Jones, I think, has a question.

Mr. Jones: Yes. Thank you. Can you comment on your experience attracting and retaining talent in Alberta and if that has changed over the last four years or if you'll experience changes in the coming years? Then a follow-up question on that: how do you incentivize fund managers while also protecting the interests of your clients?

Mr. Uebelein: Thank you for those questions. Attracting talent to AIMCo is an ebb-and-flow challenge, to be sure. We're doing something really special here. We're building a world-class – and I mean that seriously, world-class – institutional asset manager in a place that doesn't have a rich history, doesn't have a rich vein of talent to draw upon. That presents challenges in and of itself.

Secondly, we're trying to do that with a culture that is not "the investors want to get rich first at the expense of their clients" but, frankly, the other way around, where we want to serve the clients' interests and have faith that we will do fine if you do fine first.

As you know, there's been tremendous fiscal stress in Alberta, and that's resulted in wage freezes. That has made it extremely hard for us to attract certain talent, and we've seen heightened turnover rates. I mean, it's just a fact. So we are hopeful that we can see some relief in the future in that regard.

With regard to aligning interests, it's actually easier since we're not a for-profit company. Everything is aligned to net investment returns net of our costs, so when we're hiring third-party managers, it is: if you do well, we'll do well, and we'll pay you more. We're

firm believers in performance-related fees, and if we can negotiate those over flat fees, then we'll do that every day.

I hope that addresses your question.

8:50

Mr. Jones: Yeah. I have one follow-up if that works. You said that you have had trouble retaining talent. What jurisdictions are they going to?

Mr. Uebelein: I'll talk about three models if I may. There are certain types of talent here in Alberta where their skills, that they are building by working at AIMCo, are easily transferable to the for-profit industries, not limited to the investment management business, technology jobs in particular.

There are investment professionals who at some point may be tempted to go and really grasp the brass ring, if you will, because while we're paid well, we're not paid the same as if you start your own hedge fund. I'm not going to lose sleep by losing those folks. If that's what they want to do, then we'll find someone else with similar talents who aligns with the same cultural attitude that we have.

It's when we lose people to our competitors domestically that I worry. You know, you asked the question. I wouldn't have shared this with you otherwise. We do have a peer group here within Canada. We think that we're one of eight large peer groups: Ontario teachers, CPPIB, OMERS, Caisse de dépôt, PSPP, BCI – who have I missed? – HOOPP. Those are the eight, along with AIMCo. When I lose young talent to any one of those, then I really get angry because we think we're just as good as them, and we don't want to lose talent to the competitors.

The Chair: Thank you.

Mr. Jones: Thank you.

The Chair: Member Glasgo.

Ms Glasgo: Thank you, Chair. I'm looking at the annual report, page 1. In the 2017-2018 annual report \$1.5 billion of investment income was transferred to general revenue, but this is a billion-dollar difference from the \$563 million we see on page 1 of the annual report. I'm just wondering if you could – sorry; the 2018-2019 annual report, for any of those who are looking at it at home. Why are we seeing this difference in numbers? Can you comment on what has led to that?

Mr. Epp: I'm not sure I understand your question.

Ms Glasgo: In 2017-2018 there was \$1.5 billion transferred to general revenue, and it says that in 2018-2019 \$563 million was transferred. What is the difference there? Why is there a billion dollars less that's been transferred?

Mr. Epp: Well, clearly, we had a better return in 2017-18 than we did in the last year, so that's a big contributor.

Also, one thing that happens with the heritage fund: we transfer accounting income, or the income we transfer is based on accounting, not necessarily fair market value. Sometimes when decisions are made by AIMCo, particularly in some of the less-traded asset classes like real estate, you'll get a lot of income that's been accrued over many years in one year. You can't match the market value return – like, the 8 per cent – multiply it by \$18 billion, and get how much income there was because it's accounting income and it depends on when things were bought and sold.

Mr. Uebelein: It's a very technical answer, but Lowell is absolutely right. There are two definitions at play here. One is the classic definition of: what is our investment performance? That's what we typically, you know, put in our statements. The second is a different kind of accounting, which is called investment income, and the rules are not the same for calculating investment income versus investment performance. What amounts get taken out of the heritage fund and put into the general revenue account are the investment income calculation. Lowell is absolutely right. They tend to be highly correlated; in other words, you're never going to see investment income go way up when investment results or performance go down, but in some years they can be quite different.

Ms Glasgo: Thank you very much.

The Chair: Last call to the audience. Oh, there you go. Here's your chance.

Mrs. Kuffner: Lorraine is always curious about things. I'd like to ask a question about the third-party managers. If you have a piece of property that's owned by the province with a building on it that is owned by the province and managed by that outside body and there is a need for maintenance, repairs, additions, et cetera, et cetera, whose territory does that fall under, yours or over there?

The Chair: If I could maybe answer that one. It isn't really part of the investment portfolio. Most of that would come under Alberta Infrastructure and would be a government decision under Alberta Infrastructure. It really wouldn't be a part of tonight's discussion because it's a completely different category, in a way. Government-owned property is not investment property.

Mrs. Kuffner: Oh. Government property is not investment property?

The Chair: Not in the way that the heritage savings fund is investments, no. It would be under Alberta Infrastructure, that would own it.

Mrs. Kuffner: Okay. So something like the Eric Cormack site, which is vacant and no longer has a government entity on it: is that investment property?

The Chair: No. That's Alberta government – “inventory” is probably a better word. I'll talk with you about that after, or maybe the gentleman could talk to you about it.

Mrs. Kuffner: Okay. Thank you.

The Chair: Okay. One last question, I think, to Member Loyola, please.

Member Loyola: Yes. Thank you very much. To AIMCo: I want to get a better sense of – under the previous government you were asked to make funds available for the issuing of debt to perhaps help diversify the economy, help stimulate the economy. I wonder how that has impacted your overall portfolio and if any of the Alberta heritage savings trust fund money was actually used in the issuing of debt under the previous government.

Mr. Prefontaine: Just to draw the distinction, because when we talk about debt, we have a different view as institutional investors than the province in terms of issuing debt. In terms of the Alberta growth mandate: not part of the conversation in terms of the province as a government issuing debt. That said, under the Alberta growth mandate, certainly there are some debt investments there.

We are, as the institutional manager, lending money to others for the purposes of their assets, diversifying the economy, et cetera, but that's totally separate and apart from the debt that's being issued by the province.

The Chair: Well, I think I'm going to say that we have run out of time, unfortunately. I can't quite tell from this angle. Is there one minute left there? Anyway, I'm going to use that minute. Before I close, I just want to sincerely thank everybody for their participation tonight, and I think I can speak on behalf of all of the committee members. I think everyone actually got – oh, only one didn't, but just about everybody got the opportunity to pitch in. It's been a great conversation, a great learning opportunity for all of us, and I hope this was useful to you as well.

As we've said before, there are other opportunities after this to

ask questions and to engage if you would like to do that. We've tried to address your questions tonight in the time we've had. Also, if you would like to put any feedback to us in terms of how the meeting went, you can do that at assembly.ab.ca. There's a short survey there on your feedback about how the meeting was handled, that kind of thing. To our TV and online viewers, thanks so much for tuning in tonight and for sending us your questions. All of you who are in person here, the same.

Finally, just for more information about the committee and its mandate, you can also find that at assembly.ab.ca/committees/abheritagetrustfund.

A special thank you to our staff again and to the professionals, both from Alberta Treasury Board and Finance and AIMCo, for being here.

With that, the meeting is now adjourned. Thank you.

[The meeting adjourned at 9 p.m.]

