



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on the
Alberta Heritage Savings Trust Fund

Wednesday, January 27, 2021
1:30 p.m.

Transcript No. 30-2-4

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Second 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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Standing Committee on the Alberta Heritage Savings Trust Fund

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Athana Mentzelopoulos, Deputy Minister

Lindsey Stephenson, Senior Investment and Debt Accountant

Alberta Investment Management Corporation

Dale MacMaster, Chief Investment Officer

Mark Prefontaine, Chief Client and Stakeholder Relations Officer

Kevin Uebelein, Chief Executive Officer

1:30 p.m.**Wednesday, January 27, 2021**

[Mr. Orr in the chair]

The Chair: Good afternoon, everyone. Welcome MLAs, staff, those of you online, and our presenters as well. Good to have you all here. I'd like to call this meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund to order and welcome you, as I've said.

My name is Ronald Orr, MLA for Lacombe-Ponoka and chair of this committee. I do have my mask on. If anybody's having a problem hearing me, please let me know, and I'll maybe take it off when speaking. Otherwise, I'll just stay as I am.

I'd like to ask the committee members, starting with those joining the committee at the table here, to introduce themselves for the record, and then I'll call on those joining in the teleconference. We'll begin to my right, please.

Mr. Getson: Shane Getson, the MLA for Lac Ste. Anne-Parkland and looking like Darth Vader today.

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

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

Ms Gray: Good afternoon. I'm Christina Gray, the MLA for Edmonton-Mill Woods.

Mr. Koenig: Good afternoon. I'm Trafton Koenig with the Parliamentary Counsel office.

Dr. Massolin: Good afternoon. Philip Massolin, Clerk Assistant and director of House services.

Mr. Roth: Good afternoon. Aaron Roth, committee clerk.

Mr. Huffman: Good afternoon. Warren Huffman, committee clerk.

The Chair: Thank you. Those of you online, maybe I'll just take you as I see you on the screen. MLA Turton, please.

Mr. Turton: Yes. Good afternoon, everyone. MLA Searle Turton, riding of Spruce Grove-Stony Plain.

Ms Phillips: Shannon Phillips, MLA for Lethbridge-West.

Ms Glasgo: Michaela Glasgo, MLA for Brooks-Medicine Hat.

Ms Laurie: Janet Laurie with communication services for the LAO.

Mr. MacMaster: Dale MacMaster, chief investment officer, AIMCo.

Mr. Uebelein: Kevin Uebelein, chief executive officer, AIMCo.

Mr. Stephenson: Lindsey Stephenson with Treasury Board and Finance.

Mr. Prefontaine: Good afternoon. Mark Prefontaine, chief client and stakeholder relations officer with AIMCo.

The Chair: There are two more on the screen there. I'm not even sure the name. NR?

Mr. Robe-From: Hi. Nelson Robe-From with the office of the Auditor General.

The Chair: Okay. Thank you very much. One more: WH?

Mr. Huffman: That's me.

The Chair: Oh, that's Warren. So now do I have everybody online, or have I missed anyone? Please step forward if I've missed you.

Mr. Singh: Good afternoon, Mr. Chair. Peter Singh, MLA, Calgary-East.

The Chair: Yes, thank you. I didn't see you earlier. Now you're there. All right. Anyone else?

Okay. We have no substitutions today, which is good. Nice to see a full committee presence.

A few housekeeping items to address before we turn to the business at hand. Pursuant to the November 16, 2020, memo from the hon. Speaker Cooper I'd just remind everyone of the updated committee room protocols, which require that outside of individuals with an exemption, those attending a committee meeting in person must wear a mask at all times unless they are speaking. Based on the recommendations from the chief medical officer of health regarding physical distancing, attendees at today's meeting are reminded to keep the appropriate distance between themselves and other participants.

Please note that the microphones are operated by *Hansard*. You don't need to touch them. Please make sure your cellphones and other devices are silent for the duration of the meeting. Those participating by video conference are asked to turn on your cameras when speaking. Committee proceedings, of course, are live streamed as always on the Internet and broadcast on Alberta Assembly TV. Both the audio and the video streams and transcripts of the meetings can be accessed via the Legislative Assembly website.

Lastly, I'd like to add that in order to facilitate and clarify our voting procedure, I will ask for those in the room first, and then those of you that are online, if at all possible, if you could turn your video on at the time of voting, you can raise your hand. We can see you, I think. The clerk and I have a good view of the screen here. You can also use your voice, as in the room here, but it just will be helpful for us to identify which ones if you could also raise your hand. Thank you very much for that.

The next item on the agenda is approval of the agenda. Are there any changes or additions that anyone would like to make to the draft agenda? If not, we could take a motion to approve that. Any changes or additions from anyone? No? Okay. I'll propose a draft motion for the agenda that the agenda for the January 27, '21, meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund be adopted as distributed. Would anyone like to make that motion, please?

Mr. Getson: Sure. I'll make that motion.

The Chair: MLA Getson has made that motion. In the room, first of all, all in favour? Online, all in favour? In the room, anyone opposed? No. I think everybody said aye, so that settles that. Online, any opposed? I don't think so. I think we've got everyone. Thank you for that. That motion is carried.

We'll move on, then, to approval of the minutes from the September 15, 2020, meeting. The draft minutes have been circulated. Are there any errors or omissions to note? If not, I'll be looking for a member to move the motion to approve the minutes. Any errors or omissions? In the room? Online? Seeing none, I'll propose a draft motion that the minutes of the September 15, 2020, meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund be approved as distributed. Would someone like to make that motion? I see Member Singh's hand up online, so I'll take that as

approval. In the room, all in favour? Okay. Online, all in favour? Missing any? No. The majority is approval, but any opposed, online or in the room? No. That motion is carried. Thank you very much.

We'll move on to the next item, which is the Alberta heritage savings trust fund second-quarter report for 2020-21. The Alberta heritage savings trust fund report for this quarter was released on November 30. Committee members were sent notification of its release, and the report was posted to the committee's internal website. As committee members will be aware, the Alberta Heritage Savings Trust Fund Act mandates that one of the functions of this committee is to receive and review quarterly reports on the operation and results of the heritage trust fund.

We're especially pleased today to have – and I don't know if I'll get this in the right order – Mr. Kevin Uebelein, Dale MacMaster, and Mark Prefontaine, I believe, from AIMCo. I think that's the list. Also, from Treasury Board and Finance, Athana Mentzelopoulos and Lowell Epp. Are there any others that I've missed presenting today? I think that's the list. They are all here to provide us with an overview of the report and answer any questions. I would like to at this point in time, then, turn the floor over to Treasury Board and Finance and AIMCo to make their presentations to the committee. Thank you.

Take it away, whoever is going to lead.

Mr. Prefontaine: Mr. Chair, we were expecting Treasury Board and Finance to make initial opening comments. I honestly ask the question if our friends from Treasury Board and Finance are on the call.

The Chair: IT is having some technical issues getting them entered into the meeting. They're apparently in the meeting lobby but haven't quite got in the room yet. Let me just check and see how long this might take, okay?

1:40

All right. With the approval of the committee, it's been suggested that we maybe take a three- to five-minute recess here while they try to figure this out, and I'll call you back as soon as we've got the system working. We'll go on break here.

Member Eggen, please. Do you have a comment?

Mr. Eggen: Yeah. There you go. Can we add that time onto the end, then, if we're going to recess now?

The Chair: I don't see why that wouldn't be appropriate.

Mr. Eggen: Okay. Thanks.

The Chair: We'll keep track of that.

[The committee adjourned from 1:40 p.m. to 1:44 p.m.]

The Chair: All right. Wonderful. What do we have, a couple of minutes, three minutes?

An Hon. Member: About four minutes.

The Chair: Four minutes? Okay. Save four minutes for us.

Thank you, gentlemen, for joining the meeting. We've already done the introductions and adopted the agenda, et cetera. But maybe those of you who've just joined from Treasury Board and Finance: for the record would you introduce yourself? Then you can move directly into your presentation.

Thank you.

Ms Mentzelopoulos: Good afternoon, ladies and gentlemen, hon. members. I'm the Deputy Minister of TBF. Can I confirm that you hear me okay?

The Chair: We really cannot hear what you're saying.

Ms Mentzelopoulos: Is that any better?

The Chair: Yeah. Keep talking. See if it gets better.

Ms Mentzelopoulos: Okay. I'm just testing the audio. I'm here with Lowell Epp, who's the ADM, who will be making the opening remarks as soon as we can confirm that we are heard okay.

The Chair: Okay. Thank you. Please proceed.

Ms Mentzelopoulos: Thank you.
Lowell.

Mr. Epp: Thank you, Mr. Chair . . .

The Chair: Could you get maybe closer to your mic? We can't hear you very well.

Mr. Epp: Okay. Sorry. How's that?

The Chair: Much better. Thank you.

Mr. Epp: Good afternoon, Mr. Chair and fellow committee members. Thank you for the opportunity to speak to you regarding the heritage fund and its performance or results after the second quarter. Minister Toews is unable to attend today's meeting and sends his regards.

I am pleased to report that the financial market in general and the heritage fund in particular had an encouraging quarter, continuing the reverse of the downturn and the effects of the downturn that we've seen last February and March.

Ms Phillips: Mr. Chair, I hesitate to interrupt. I can hear it sometimes but not other times, so I'm wondering if the folks who are delivering the presentation can maybe move the device closer to them. Potentially that might help, but it's tremendously difficult to hear.

The Chair: Yeah. It's not overly clear.

Mr. Epp: Is this any better?

The Chair: Yes. Thank you.

Mr. Epp: Okay. As I was saying, the heritage fund has mostly recovered or entirely recovered the value it lost during last February and March. The fund returned 2.6 per cent over the second quarter, outperforming its policy benchmark by .5 per cent. Investment income generated over the quarter was \$548 million, bringing the total net income to \$552 million for the first six months of the fiscal year. This is on pace with budget expectations.

Fiscal year to date the fund has earned a 7.7 per cent return, while the return on the policy benchmark was 8.8 per cent. Since the beginning of the fiscal year the fair value of the fund has increased by \$895 million, and that \$895 million improvement is slightly larger than the market value loss that the fund experienced near the end of last fiscal year. In other words, the fund is more or less back to where it was before the market downturn in February and March except for the fact that about \$1 billion was transferred to the general revenue fund as required by the heritage fund legislation.

Over the past five years the heritage fund has earned a return of 6.8 per cent, which is .8 per cent higher than the fund's target, which is

to earn 4 and a half per cent over inflation. The heritage fund's returns over the past five years are lower than the 7.4 per cent return for the fund's benchmark, reflecting in part last year's turmoil and associated losses.

Equities have been the largest contributor of value to the fund this fiscal year. Over the quarter equities returned 6.4 per cent, and since the beginning of the fiscal year the asset class has returned 17.7 per cent. Liquid equity assets such as those held in Canadian and global equity pools and traded on stock exchanges have been producing strong returns due to the global market rebound from this past spring.

Fixed income has returned an impressive 7.3 per cent so far this year, making it the second-best performing asset class. Over the quarter this asset class had a return of 1.5 per cent. The good returns are a result of the rapid decrease in yields due to the Bank of Canada's responses to the pandemic, which have resulted in abnormally large returns for the asset class. There is an inverse relationship between yields and values of fixed income securities, but obviously with interest rates as low as they are, this is not expected to continue.

1:50

The returns were not all good, however. Inflation-sensitive and alternative assets have not seen a rebound similar to what has been seen in public equity markets. This is due in large part to the continued impact of the pandemic on certain sectors of the economy, including real estate and infrastructure sectors, and of course there is tremendous uncertainty about what the future holds for some of these types of investments. Fiscal year to date this asset class has had a return of negative 4.7 per cent.

I want to change direction slightly and talk about the investment policy review that is currently taking place. Based on the reaction of members, I may have left this committee with an incorrect impression of the intentions behind this review, so I thought it would be good to describe the work that we are doing. The review that is currently under way will be very comprehensive, with the most important activity being analyzing and evaluating various alternative asset mixes for the heritage fund going forward. Working with AIMCo, a thorough analysis of various alternatives, many alternatives will be completed, trying to help us understand different returns and risk levels or expected returns and risk levels for each alternative. Once that review has been completed, a recommendation will be made to the minister for the heritage fund's policy asset mix, and should it be approved, it will be implemented by AIMCo shortly thereafter.

Thank you, Chair. That concludes my remarks.

The Chair: Okay. Thank you very much.

Now I assume that AIMCo themselves will have some comments.

Mr. Prefontaine: Yes. Thank you very much, Mr. Chair. Again, it's Mr. Mark Prefontaine, chief client and stakeholder relations officer at AIMCo. It's certainly our pleasure to be in front of you again this afternoon, virtually as it may be, as you know. I'm joined by our CEO, Mr. Kevin Uebelein, and our chief investment officer, Mr. Dale MacMaster.

There are a few topics that I'd like to cover before I hand it over to Mr. MacMaster to provide his perspective from the chair of the CIO, and then we'll get into our question and answer, that all three of us are prepared to be responsive to. Three areas I'd like to address in my initial comments are AIMCo's commitment to our clients, AIMCo's commitment to responsible investing, and AIMCo's operational independence.

Regarding our commitment to our clients, there's been some publicity recently regarding AIMCo and its clients, including those for which we're currently working to transition the management of their assets to AIMCo. Our orientation to our clients, however, remains unchanged. AIMCo has an overarching commitment to all of our clients, including the Alberta heritage savings trust fund, managed by our friends at Alberta Treasury Board and Finance, in that AIMCo will partner with our clients to achieve their investment objectives and add long-term investment value, long-term value that is delivered by an expert team dedicated and aligned to the realization of our clients' goals.

It's this commitment that forms a basis by which we seek to gain the confidence and trust of our clients and all Albertans. How we do that specifically for each client will be unique to that client, but there are some consistent themes such as providing a high level of transparency and collaborating with our clients in helping them make their decisions regarding their investment policies and in how we implement those investment policies on their behalf. We've been pleased to partner with our friends at Treasury Board and Finance regarding possible changes to the investment policy for the heritage fund, as Mr. Epp just recently described.

Secondly, our commitment to responsible investment. One of the many areas where we're proud of the work on behalf of our clients, their members and beneficiaries, and Albertans in general is how we approach environmental, social, and governance-related matters through our responsible investment program. AIMCo integrates ESG factors into our investment decision-making process to unlock investment opportunities, mitigate risk, and identify drivers of long-term growth. Our objective is not merely to identify the issues, risks, and opportunities but to actively contribute through our responsible investment activities to better investment outcomes for the benefit of our clients.

Since we last met with the committee, AIMCo has issued its 2020 responsible investment annual report, and that can be viewed online at www.aimco.ca. In that report you'll see that we identify that 2020 was AIMCo's 10th year as a signatory to the United Nations backed principles for responsible investment, commonly referred to as the UNPRI. AIMCo's performance in the 2020 UNPRI survey was our best yet in that we received 12 A-plus grades and were above our peer benchmark in all 14 categories.

While we're proud of this achievement, it's more important to consider and answer the question: so what? What does this mean for our clients and their portfolios, and, topically for today, what does it mean for the heritage fund? Well, when you approach investing with a long-term view such as we do – and when I say we, I mean AIMCo and our clients – sound ESG practices are imperative for achieving strong, risk-adjusted returns. Integrating these important lenses to our investment and risk management decisions is something that we'll continue to do and is in the best interests of our clients and all Albertans.

Finally, I'd like to talk about AIMCo's operational independence. AIMCo is proud to be an Alberta Crown corporation, purpose-built to serve our clients. That said, being a Crown corporation of any government, at any level, in any jurisdiction brings with it certain realities, including operating in a political environment. For AIMCo this means questions arising about the independence, or perceived lack thereof, we enjoy from government for investment decision-making. For those of you that have been part of this committee or followed it previously, you'll know that we're happy to come and answer any questions that you may wish to pose. Coming into this meeting, we fully expected to get questions about whether or not government has directly or indirectly interfered in AIMCo's investment decision-making process, and our response is a simple flat no. AIMCo's mandate and governance structure are focused on

delivering on our responsibilities to our clients. Part of our clients' collective confidence in AIMCo to deliver on those responsibilities is confidence that we remain independent from government for investment decision-making purposes. It's an important message that I affirm here, and it's a message we'll continue to affirm with our other clients.

With that, I will now ask Mr. MacMaster to provide his comments as chief investment officer. Thank you.

Mr. MacMaster: Thanks, Mark, and welcome, everyone. Certainly, the year 2020 will always be remembered for the pandemic as well as the resulting market volatility and uncertainty but also the biggest disconnect between economic reality and financial markets. As you all know, the world lost millions of jobs, and global GDP declined by close to 5 per cent, yet the markets ended up strongly with bonds up 10 per cent, as measured by the S&P 500 bond, and equities up 13 per cent, as measured by the S&P global 1,200.

On top of that, it wasn't just the market mayhem around the pandemic; lost in some of the noise were the other things that the markets had to deal with beyond record joblessness and second and third virus waves: U.S. civil unrest, sabre-rattling with Iran, simmering trade tensions with China, Russian hacks, Brexit came on the front stage again, and an endless U.S. election cycle that took days to determine a winner. In short, nothing was normal about 2020.

However, we believe that 2021, in contrast, will feature a slow and steady return to normalcy. With further advancements in COVID testing, contact tracing, and vaccine deployment reducing the need for social distancing, economic growth should continue to recover, and the improvement in fundamentals should bode well for risk assets and the heritage fund portfolio.

The dominant storyline for markets was the violent and sudden five-week downdraft that we all experienced in March, which then gave way to a pretty strong recovery for most of the rest of the year that took hold once investors understood and appreciated the unprecedented and unwavering monetary and fiscal support. However, fundamentally, the plunge in long-term yields and eventually a V-shaped recovery for earnings were important tailwinds.

2:00

Ultimately, the prospect for a broader economic recovery courtesy of the vaccine has completed the comeback. With that as a backdrop, the heritage fund second-quarter return was 2.6 per cent, outperforming the benchmark by 49 basis points.

Public equities and fixed income were the major drivers of performance in the quarter. The fiscal year to date six months' total return was 7.7 per cent, behind the benchmark return of 8.8 per cent. While equity portfolios have consistently added value since March and fixed income also continued to add value over benchmarks all through the year, the illiquid assets continued to slip throughout the year with additional negative valuation adjustments. Most notably, there were the real estate assets, including retail malls, Alberta office, and some of our European real estate.

On the positive side most of the private equity assets saw upward adjustments to valuations at year-end. Our most recent closed pool offering returned over 35 per cent, which stands in support of our private equity strategy. Those strong returns are not in the second-quarter report because we only have two quarters that we're reporting on but will appear in your third-quarter report ending December 31.

As well, 2020 was a challenging year for investors. We continue to see a steady stream of attractive opportunities in all of the asset classes. In real estate in particular we've been quite opportunistic and stepping into some transactions towards year-end that came as

a result of the pandemic and others being unable to conclude transactions.

In terms of the outlook we think that risky assets like equities will continue to gain ground against the backdrop of global recovery and continued accommodative monetary policy. In our view, the outcome of the recent elections and news that vaccines will become available more quickly are great outcomes for the market and the economy. We expect the virus situation to improve sharply in 2021, driven by rising immunity from natural infections and, more importantly, the successful global vaccination program.

With that, we think that government bond yields will continue to stay at very low levels. Key risks in this forecast are that the pandemic takes another negative turn or that policy-makers withdraw support prematurely, undermining the economic recovery. The bull market in equities should continue with some rotation from growth sectors into value. Industrial commodities and oil should benefit from growing confidence in North American recovery. Gold will probably decline as fears of financial instability, political chaos, or rapid inflation that debases the U.S. dollar turn out to be wrong. As a result, we remain overweight in equities and underweight in bonds as our tactical position. Within fixed income we are committed to select segments of the credit markets and then added exposure within equities to what we think are high-conviction areas of the portfolio. The recovery of the equity portfolio is due in part to a broadening of the equity market rally to sectors like energy and financials, which lagged badly in 2020. We expect to see it continue as the bull economy gets back on its feet.

That concludes my comments.

The Chair: Thank you very much. You're the last presenter, or are there more? No? Okay. Thank you, both members from Treasury Board and Finance and AIMCo, for your presentation.

I will now open the floor to questions from committee members. As usual, I'll try and go back and forth and try to keep a running list here. Those of you that are online, we can see you on the screen. You can either raise your hand digitally or if you turn your video on and wave at us, either myself or the clerk will catch you.

To start with I have Member Eggen, please.

Mr. Eggen: Well, thank you, Chair, and thanks to everyone joining us here today. My first question is to Treasury Board and Finance. The Minister of Finance is ultimately responsible for these reports. In the first quarterly report there's a deliberate decision not to include standard information for Albertans about AIMCo's performance relative to benchmarks, of which they are responsible for the Alberta trust fund as well. People were disappointed, you know? At the September 15, 2020, meeting the deputy minister said, "We probably could have done a better job."

Here in the second quarterly report I'd like to draw your attention to the summary page, which is on page 1, and this page makes it look like AIMCo had a relatively good six months. It says that investment returns were 7.7 per cent, net income roughly half a billion. But, Mr. Chair, in reality it's been much less than a good six months. I find it quite wanting, really. AIMCo missed its passive benchmark by a full percentage point and was off target by 2.1 per cent – that's 2.1 per cent of \$7.2 billion – or a loss relative to your mandate of \$300 million. There's nowhere in the executive summary where you mention that the results were found wanting. In fact, you hide that from Albertans. You can see it in the small print on the second page, but of course you have to look.

So let me start with this. Did the Finance minister do his job and actually approve this report? Was it approved by the Finance minister of this province? While it might not be customary given the challenges that we saw last quarter, did the Treasury Board

Committee of cabinet take time to review and approve this report that we have before us here today? Question.

Thank you.

The Chair: Okay. Thank you.

Who wants to respond to that: Treasury Board and Finance, AIMCo, or both?

Ms Mentzelopoulos: Chair, it's Athana Mentzelopoulos, deputy . . .

The Chair: Sorry; we cannot hear you. Try to get closer to your microphone maybe.

Ms Mentzelopoulos: How's that?

The Chair: Try it again.

Ms Mentzelopoulos: Is that better?

The Chair: Yeah. Somewhat.

Ms Mentzelopoulos: Okay. I'm going to talk really loud. Hopefully, that works. I guess I'll break up the comments and try to address them in components. AIMCo may wish to add to it; so might my colleagues. The reporting format was returned to the format that would have been seen two reports ago. That was on the direction of the minister and, frankly, the advice of members. The decision taken two reports ago really reflected the fact that much of what you find in the highlights section duplicates what's in the actual report. Given the very many demands on folks' time at that time, given that we were dealing with kind of the height of the onset of the pandemic, that was the call we made, and we have reversed it. The information in the highlights section is consistent with the way that it has been presented in previous reports, and it's factual.

The Chair: Mr. MacMaster, are you planning to answer this or not? I thought I saw you.

Mr. MacMaster: Yeah. I guess I would just add that there was a comment about the relative performance. I would remind the committee that we're only looking at two quarters of data and that we are always focused on the long term, and it's not unusual for any investment manager to underperform a benchmark over shorter periods of time.

I would also add that in a certain sense this is the second-quarter fiscal, and it's stale news. The early results that we're seeing from the end of the year are even much better, with the total heritage fund return unaudited – so take this with a grain of salt – you know, probably 11 per cent or greater. My message to the committee is that the V-shaped recovery that we're seeing in listed markets will play out over 2021, and we expect the heritage fund to continue to recover, both in terms of total return and relative return.

Thank you.

The Chair: Thank you very much.

Mr. Eggen: Thank you.

Just as a supplemental, then.

The Chair: Yes. One supplemental.

Mr. Eggen: Okay. Well, you know, it's a selection of some of the facts but not all of them. In fact, you have underperformed the benchmark – right? – over five years, and we see that being played out here again this year. With all of the extra money we spend for investment analysis and active investment practices, this fund is still

underperforming. What would have been a passive investment – I mean, I could have done this through my person at the Bank of Montreal and had a probably better return than what I see here today.

2:10

When you say 7.7 per cent, that misses the benchmark that you set yourselves as an active investing unit by 1.1 per cent – right? – which is, by my calculation, over \$300 million. Could you endeavour, please, as the Treasury Board and Finance to go through a process by which you have a more transparent way by which to present this quarterly report with the fullness of your intention of what your targets and benchmarks actually are? Question, please.

Ms Mentzelopoulos: It's Athana here from TBF. I guess there are two parts to my answer. We've returned to the reporting format that we had previous to the last report, and it's consistent with that format. We did that, at least in part, on the advice of some of the members, who expressed a desire to do so when we were last at this committee.

I guess I would also say that – and this probably echoes a little bit Mr. MacMaster's comments – for a fund of this size and investment like this over the short and long term you're going to see ups and downs. I think that's true with any investment, including, perhaps, your own experience with BMO, as you suggest. Over the long term AIMCo has demonstrated value for the heritage fund, and they've done it as an Alberta-based Crown corporation employing Albertans. Over the long term I think we express satisfaction despite the fact that over the last year in particular we had dramatic events that were global in nature.

The Chair: Thank you, Athana.

I see Mr. Uebelein's hand up. Are you wanting to respond to this as well?

Mr. Uebelein: Yes. I won't add anything to Deputy Minister Mentzelopoulos's comments about the reporting, but I will just say that the heritage fund has multiple criteria by which they hold AIMCo accountable, and in this reporting period, I think, as was mentioned by Assistant Deputy Minister Lowell Epp, we exceeded one and we didn't exceed the other. With regard to our return against a benchmark, which is one of those criteria by which we are judged, we have exceeded our benchmark returns on average more than six years out of 10, or two years out of three, let's just call it. As Dale MacMaster has already said, you know, one of the situations that we see right now is that while the public markets have recovered remarkably from the hit that was taken from COVID, we all know – and I know that the MLAs that sit on this committee know – that the economy has not recovered nearly to the same extent. There are a few businesses that have benefited but only a few, and many are in much direr straits.

As a diversified portfolio when we invest in what we call illiquid assets, those are private assets. Those are investing in businesses that do not have a public listing. So as we look at the value of those companies, we have to earmark that value to what's happening in the real economy, the real cash flows of those businesses. The benchmark that we have on those assets in many cases is an absolute benchmark. We feel very confident that investing in these illiquid assets is the right thing to do over the long term – it has proven itself over and over again – but there will be periods like this, where the economy is actually hurting and these businesses are hurting as a consequence, that we will have to have the patience to see that come through. You know, I think both Dale and I and the rest of AIMCo are quite comfortable that the quality of those assets, even though they do reflect the fact that our Canadian and global economies are still adversely affected by COVID, will recover.

The Chair: Okay. Thank you very much.

I think we can move on. We have a list going here, the clerk and I. Mr. Singh has his hand up. Member Singh, please proceed.

Mr. Singh: Thank you, Mr. Chair. First of all, I would like to acknowledge the representatives of the Treasury Board and Finance ministry and AIMCo. I appreciate you attending and presenting before the committee today in a manner that is different from the last meeting we held. My question is for AIMCo. We all know that it is kind of a challenging time lately, until now. I'm glad to know that the overall performance of the investment has surpassed the policy benchmark, which is 2.1 per cent, and actually giving 2.6 per cent returns. Do you know if other investment management has the same returns, or what is the average return of the same period in other Canadian investment firms?

Thank you.

Mr. MacMaster: It's a good question, but it's not one easily answered because every investor's asset mix is different, so depending on their holdings or public assets versus private assets, depending on, you know, whether they currently hedge foreign exposures or not, depending on their risk appetite. All of these factors come to bear. Sometimes we do look at our performance compared to other pension funds over longer periods of time, and adjusting for those, we tend to find we are in the mix with other funds.

Mr. Uebelein: Yes. MLA Singh, I just would potentially add one thing, and that is that, first off, we typically try to stick to our knitting, to what we're doing, and to ensure that our work is as good as it can be. We do try to benchmark ourselves whenever we can, but, as Dale said, separating the multitude of differences between different institutional asset managers in Canada and elsewhere is very, very, very difficult to do without some form of bias being either wantonly or unwantonly injected, so we do use a completely independent firm called CEM, which almost all of our peers also hire.

What CEM does is that they take the performance data, the asset allocation data, the transparency of costs, because those are not equal across the board either, and they try, with complete independence, to look at things on a like-for-like basis – that means a series of pluses and minuses – to try to attempt to, in an unbiased way, look at things on a like-for-like basis. I can tell you that AIMCo for the last five years has been a top-quartile value-add performer as per CEM's reports. That's not a direct answer to your question because we can't give you the detail because in order for them to be unbiased, those calculations are behind a screen, if you will. But we have been top-quartile performers in that analysis.

Mr. Singh: Thanks for answering.

The Chair: A supplemental, or no?

Mr. Singh: No.

The Chair: Okay. Thank you very much.

I have Member Phillips, I believe, followed by Getson coming up, but just in the interests of everybody's awareness, just trying to keep a track on the agenda here, we have a number of items yet to do after our question-and-answer period here. What I'd like to try and do is leave at least 30 minutes plus the four minutes we lost – so that'd be 34 – for the rest of the agenda, which means we have about 10 minutes left to finish Q and A unless there's real desire by members to extend it.

I do have Member Phillips. Please proceed.

Ms Phillips: Thank you, Mr. Chair. What we're going to talk about here today is performance relative to benchmark and relative to the heritage fund, not relative to other funds or other investments that AIMCo might manage, and we're going to talk about it over the period of time that is referenced in these reports. What we see here is that in the short term we have, over the last six months, seen the performance target missed by 2 per cent, but then we've heard at this committee and at other times as well that we've been asked to focus on the longer term. Okay. So according to the annual report the compensation framework looks at performance over four years, but in the quarterly report we see five-year returns, so I'll focus on that because it's close and that's what we have in front of us.

2:20

Over the past five years Albertans have paid senior executives \$57 million in compensation and bonuses, and what we're paying for is active management to beat that passive benchmark. But over the past five years, as the results on page 2 show, we've lost a lot of money relative to that passive strategy. We are .6 per cent below the passive benchmark, which is a loss of over half a billion dollars. If we were only doing a passive strategy, we would be a half a billion dollars richer over the past five years in the heritage fund.

My question to Treasury Board and Finance is this. Is this under-the-radar, secret review that we are undertaking for the investment strategy for heritage fund going to have a look at the benchmarks, how we set them, and the performance of the investment management strategy that leads to this kind of compensation when we know that it has delivered less than benchmark to Treasury Board and Finance?

Thank you.

Ms Mentzelopoulos: I'm going to hand it off to Lowell. I'll just say that I'm not sure about the characterization of the review. It is the first time that the investment policy has been reviewed in a decade. Mr. Epp addressed this, and work has begun, but I just wanted to, I guess, say that I don't agree with the characterization of that review.

Lowell, can you add to . . .

Mr. Epp: I'd be happy to do so. I hope that I remember the whole question. I may have to ask you to repeat it. First of all, yes, AIMCo has underperformed the benchmark. You have to understand that when evaluating an investment manager, you have to be very careful when taking these results. I will give you an example. It's already been referred to, but I will go into more detail. Something like infrastructure assets, the benchmark is something like inflation plus 6 per cent, okay? I believe that's the benchmark. Well, inflation never goes negative except during the most horrible circumstances. Every year those infrastructure assets, to have value added, have to beat inflation. That's not going to happen every year. It's simply not. Is there a better benchmark? We've been searching for 10 years to find one and haven't found something better, the primary reason being that infrastructure assets can vary widely, and most of the good ones aren't traded publicly, so we have no information on their returns. Yes, the numbers are negative, and I'm not trying to make excuses for AIMCo, but you have to be careful when dealing with those numbers.

I think you had another question.

Ms Phillips: What I was looking for clarification on is whether this internal review of the heritage fund investment strategy will include a review of the performance and incentive structure for performance pay at AIMCo. It would seem to me that if we have been missing the benchmark over five years, this would then necessitate, as part of that review, looking at that performance and incentive structure. Clearly, we are not getting it right if we are not

meeting the benchmark for \$17 billion worth of Albertans' public money that essentially represents the value of the oil and gas that we pulled out of the ground in the 1970s. Albertans are looking for – if we're going to pay \$50 million over the course of several years to have this actively managed, we're looking for people that are going to meet the goals that are set for them and that they, in fact, have input in setting themselves, and if they don't meet them, then we should review it. I'm wondering if it's part of that review.

Mr. Epp: I really haven't addressed that point. Our investment policy review is intended to look at all aspects of investment performance, but, more importantly, it's focused on looking at the future. We're trying to adapt the asset mix to what current conditions are rather than what conditions were 10 years ago.

One comment I would make on compensation numbers: those compensation numbers end at December 31, 2019, and do not reflect the underperformance in 2020. AIMCo pays their compensation, as do all other major investment managers, based on calendar years, so the results and the compensation that they will receive this year have not yet been published. In the four years or five years, if you will, before 2020 AIMCo consistently beat the benchmark, and that's why you're seeing bonuses being paid.

The Chair: Okay. Thank you, Mr. Epp.

I see Mr. Uebelein's hand up. Do you want to contribute to this?

Mr. Uebelein: Yes, if I may.

The Chair: Yes.

Mr. Uebelein: MLA Phillips, I think you make a really strong point that the benchmarks for some of our asset classes are not perfect. Many of these illiquid assets, which are really critically important diversifying assets to a portfolio like this for the heritage fund as well as for our other clients, in essence, as Lowell has said, have an absolute return benchmark. This is a benchmark by which we are judged. It means that in periods where the economy is literally shrinking, as we see it happening around us, and businesses are struggling with their cash flow, then the value for a ton of those businesses will not go up. They will shrink. We're judged against an absolute return, a return that will be a plus sign no matter what is happening in the economy.

Now, that's an imperfect benchmark, as you can intuit, but we're willing to live with that because we do believe that over very long periods of time these essentially important businesses held in illiquid hands will return far beyond that benchmark. We're in a period right now, as I'm sure you and the rest of the members of the heritage fund can appreciate, where many fine businesses across the country, across our province, and around the world are struggling. The theoretical value of their businesses is lower than it was before, and that's what's being reflected in the returns over this period. We feel confident that that will return.

In terms of our performance compensation, that confidence is underscored in the fact that we have to perform above the benchmark to have that element of compensation included. I won't repeat what Lowell has already said in terms of the fact that our compensation will be reflected lower as our performance against benchmark is lower, but what I will add, which we've mentioned in previous heritage fund meetings, is that the AIMCo compensation discussion and analysis section of our annual report is an 18-page, very detailed conversation and analysis of how we compensate all of our people, how we align that compensation with performance for our clients, including the heritage fund, and also, importantly, how we stack up on a comparative basis with our peers in the marketplace.

I think what you'll find is that we are very thoughtful. We try very hard to strike the right balance and to make sure that we are able to attract and retain the top talent, that I'm sure you would agree is necessary in order to perform this, that we are at the same time not overpaying, and that we're aligning compensation with outcomes.

2:30

The Chair: Thank you very much.

Next on the list is Member Getson, please.

Mr. Getson: Perfect. Well, I appreciate it, folks, and I'm hoping you can hear me. This mask thing is always interesting. Thanks again for the presentation and navigating through these times.

Yes, sir? Still all good?

The Chair: Speak up.

Mr. Getson: Okay. Sorry. I'm going to have to try to yell here.

Thanks again for the presentation and everything you've done so far, navigating through these times. I was pleasantly surprised to see that you recovered. Quite frankly, I was a little concerned, coming into this report with some anticipation.

What I would like to ask you about, though, is south of the border. I mean, it was a tumultuous presidential election, to say the least. The new courses of action that the new administration is taking place with the made-in-America executive orders, their environmental policies, and their energy policies: how is that going to affect the fund? With your crystal ball, at this point are there any course corrections required that you can see?

Mr. MacMaster: I'll take a run at that. Certainly, there was a lot of concern leading up to the election that caused some volatility in markets, but I think the results were received quite well by the market in one respect, a change in leadership in the White House that I think many investors are feeling optimistic about in not getting surprise events like aluminum tariffs on and then off and then on and the unpredictable landscape that we've faced for the last few years.

The other important aspect was a 50-50 in the House, which would limit the more radical aspects, or left-leaning aspects, of the Biden administration, which was well received by the markets. The net outcome or view is that we will get more stimulus, probably less than the \$1.9 trillion that Mr. Biden is trying to get through – we expect that to be negotiated lower to perhaps half of that – and probably limited tax increases as well. So the market received that news quite well. There will be more spending and therefore more stimulus.

Certainly, the green aspects of Mr. Biden's administration were underlined in his announcements on the first day. That has implications certainly for Canada. But overall, the markets reacted relatively enthusiastically to the changes that we saw.

Mr. Getson: If I could have a follow-up?

The Chair: Yeah, one follow-up.

Mr. Getson: To follow up on that, I was on a call – I think it was December 11 or December 12 – and it was with the Wilson Centre out of the U.S., and it had a military viewpoint of global geopolitical relations. The next place that they're going to have to deal with is to develop, in their own words, their Arctic ethos, which puts a big push toward Alaska and, quite frankly, the Arctic. In recent notes in the BBC, when Biden and Trudeau met, that came up as well, that he, Biden, wanted, in his words, more attention paid to the Arctic, essentially. So with the fund looking – out of that Wilson Centre study there were four key elements that the U.S. military is looking for up there. It was an energy deficit. They were looking on

rail connections, logistics, and communications. Are you hearing or sensing anything as well, from the U.S. side, of global markets shifting and looking to support those initiatives in the Arctic with the U.S.?

Mr. MacMaster: I'm sorry. I haven't read the Wilson report, so I'm really not in a good position to comment.

The Chair: Okay. Thank you.

We are about 30 minutes out. We do have some other agenda items. We've had an equal number from both sides. Are you comfortable with moving on in the agenda? Member Gray.

Ms Gray: Thank you, Mr. Chair. I would prefer to be able to continue. I certainly have questions I haven't had the opportunity to ask.

The Chair: Do you want to do it now, or would you like to do it under other business? Your choice.

Ms Gray: Would you like me to move a motion in order to see if we can continue?

The Chair: No. I'm just saying you have two options here.

Ms Gray: Oh, okay. Well, I guess to begin with, that extra four minutes: can we apply it to this debate rather than the end of the meeting?

The Chair: Well, we already have, but if you would prefer to do it now, I'm willing to entertain that. But let's try and remember that we do have an agenda to finish, too.

Ms Gray: Absolutely.

The Chair: Please proceed.

Ms Gray: I appreciate that, Mr. Chair. I'll try to be very quick. This line of questioning is more around the governance of AIMCo and governance risk for the heritage savings trust fund. On page 7, note 2, it describes in the quarterly report just the impact of pooled funds that the heritage fund is invested in and the rules surrounding other parties being in those pooled funds and how that can impact the heritage fund returns. Now, on December 23 the Minister of Finance issued a ministerial order that changed the governance risk profile for the heritage fund by imposing new investment management agreements on the ATRF. Now, the ATRF as well as the other public-sector pension plans – PSPP, LAPP, and SFPP – as I understand it, will be invested in the same equity pools as the heritage funds. Some of them already are; ATRF is moving over.

Our fund values and that stability are really important to the heritage fund. With the imposed investment management agreement, though – and this ties back to what Mr. Prefontaine was talking about, just around confidence, trust, transparency, and some of the issues that have been in the public recently. Given what we've seen, I'd like to know, first from Treasury Board and Finance, why the Minister of Finance would have imposed that investment management agreement, and is that something where this committee should have been notified? What are the potential impacts to the heritage savings trust fund?

The Chair: Okay. Yeah. Let's try and keep it focused on the heritage savings trust fund, but if anybody would like to respond to that, I mean, our committee mandate is the heritage fund. Anybody open to responding to that?

Ms Mentzelopoulos: Yes, sir. I'd be happy to respond.

The Chair: Please.

Ms Mentzelopoulos: I'll make a couple of points. First of all, the orders in December were consistent with the legislative provisions and reflected, in fact, feedback that we had received. I just wanted to quickly address the IMAs although I recognize, as you've suggested, it's out of the scope. To the exact question about the impact of those ministerial orders on the heritage fund: there is none. I would add that the engagement around the interplay between the investment policy and the investment strategy is quite similar, to the extent that it is very much informed by good faith and by a shared objective of getting the best return.

The Chair: Thank you.

A supplemental or no?

Ms Gray: Yes, please.

The Chair: Please proceed.

Ms Gray: You certainly mentioned good faith. Confidence and trust have been mentioned earlier through this. I've spoken to a number of finance and pension investment experts in advance of this meeting, and universally they say that the investment management agreement that was imposed is unprecedented, that no client would cede this type of control, and that if an investment manager proposed an agreement like this in the private sector, they might be laughed out of the room. I'd like to just find out further: why was this decision made on December 23, two days before Christmas, in the middle of the pandemic . . .

Mr. Getson: Point of order.

The Chair: Point of order.

Ms Gray: If I may complete my question, it does tie into the heritage savings trust fund. I understand why a point of order might be . . .

The Chair: Please tie it to the heritage fund.

Ms Gray: Absolutely. Would TBF be amenable to an investment management agreement with these same clauses being applied to the heritage savings trust fund? It is now causing a lawsuit. It has triggered a lawsuit to be formed, and it's incredibly concerning to those who are impacted from the pension side. I can only imagine what Albertans would feel if the heritage savings trust fund were treated similarly.

The Chair: Okay. Who wants to respond to that?

Ms Mentzelopoulos: I'm not sure I heard a question, but I guess I would say a couple of things. On December 23 we were about eight days out from the deadline, which had already passed for one of the pension corps and was rapidly approaching for the others. The government of Alberta does close down between Christmas and New Year's in something called the Christmas closure. Given that we understood that the parties, although they had made considerable progress, would not be able to reach an agreement and that we had a legislative deadline approaching, we did our best to reflect what had been, up to that point, in agreement in the ministerial orders.

2:40

In terms of the heritage fund I would suggest that, in fact, for all intents and purposes the provisions between the heritage fund have basically the same outcome as provisions in other investment management agreements to the extent that they are informed by

good faith, by collaboration, by a shared objective of the best return for the client, in our case the Alberta taxpayers, and really inform a collaborative approach whereby each of the parties demonstrates its particular skill set. In the case of AIMCo that is around investments.

The Chair: Okay. Thank you very much.

We're running short on time here, but in the interests of fairness I do have Member Jones on the list. Member Jones, if you would like to proceed, that will be the last question. We'll move on in the agenda after that.

Mr. Jones: Thank you. I will be brief in the interest of time. I was wondering if AIMCo could expand on what is in strategic opportunities. The returns in this particular area over 10 years have been very strong and not as strong recently, so some commentary on that. Also, I've had concerns over the returns in the private equity area, so just some comments on what we have in there and what you see moving forward.

Thank you.

Mr. MacMaster: Sure. The strategic opportunities fund houses a Brazilian infrastructure firm, a Colombian pension manager, and formerly had a barge company. You know, performance has been good over the longer period, but that portfolio is in a position where we're probably looking to sell those assets in the coming quarters.

More broadly on private equity, as you've probably heard me discuss at the committee before, we rebooted the private equity strategy in 2015 and set off on a course to be an investor in middle-market funds along with co-investing in particular opportunities we thought were most attractive. The returns since that time have been quite strong. You know, the most recent fund I alluded to earlier, P16, had a 35 per cent return.

Now, private equity has also been impacted by COVID, with one of our largest holdings. Vue Cinemas, of course, has been shut down for most of the year, and as a result we had to write that down to zero, although that asset for many years was delivering very, you know, solid returns for us. It's very hard to predict, certainly, a pandemic, and in that type of environment there have been winners and losers. We all know about office and retail. Cinema was another one that got pretty badly hurt.

Thank you.

The Chair: I see Mr. Uebelein's hand as well.

Mr. Uebelein: Yes. This is probably a late add. I was hoping to make at least one comment to MLA Gray's comments and questions. While I have the microphone turned on, you know, I'll just say a couple of quick things going back to her comments. The first is drawing it back to the impact on the heritage fund. I think having a ministerial order in place and this one in particular adds stability and therefore benefits the heritage fund incrementally as opposed to not having an investment management agreement in place.

The second thing that I would say is that it's certainly our hope and expectation that we don't operate under the ministerial order for too awful long. I can't put a date around that, but it is certainly, I think, the intention of all the parties that we move towards an IMA at the appropriate pace.

The third one, just to assure this group, is that at the working group level we continue to work towards those agreed-to principles of collaboration and respecting the roles and responsibilities of the different parties who work under that ministerial order or IMA as the case may be.

Thank you.

The Chair: Thank you very much.

Do I owe you a supplemental?

Mr. Jones: I have a second question.

The Chair: Okay. Proceed.

Mr. Jones: We've seen some abnormal activity in the markets related to recreational investors versus institutional investors in shorts and longs. Do AIMCo and in particular the heritage savings trust fund have any exposure to the securities that are being affected by this, and does that concern you in terms of future short positions?

Mr. MacMaster: Can you be more specific? I don't think I caught the front end of your question there. What securities are you concerned about?

Mr. Jones: I'm not concerned about particular securities. There are a few – BlackBerry, GameStop, and a few others – where large groups of recreational investors have decided to basically buy up the stock to punish institutional short sellers, and the losses, I think, have exceeded \$5 billion last time I checked. It's an interesting, unprecedented thing, so I'm just curious on your thoughts and if we've any exposure.

Mr. MacMaster: Yeah. It's a good question. We are seeing that type of activity, but I think what we're seeing more broadly in this type of activity is heavy retail involvement potentially because of so many people working at home and higher levels of unemployment where people have the facility combined with easy access to markets like Robinhood, many, many websites that allow retail investors access to markets that they did not have in the past at very, very low cost. That combination with excess froth and excitement in the market is driving speculative behaviour. Not only are we seeing that in GameStop and BlackBerry, but look at Bitcoin. All of a sudden that's on the front page. You know, we're hearing about ETFs being initiated with cryptocurrencies. This is all evidence of froth, excess speculative activity, and we stay quite clear of that.

The Chair: Okay. Thank you. Nobody else? Yeah. Okay.

Thank you very much, both questioners, members, and presenters.

We will move on, and in order to do that we need a motion to receive the draft report. I suggest a motion could read that the Standing Committee on the Alberta Heritage Savings Trust Fund receive the 2020-2021 second-quarter report on the Alberta heritage savings trust fund.

Is there anyone who would like to make that motion? Mr. Getson. In the room, all in favour, please signify. Any opposed? No. Online, all in favour, please signify. Thank you. Got it. Anyone opposed online? No. Okay.

That motion is carried.

Thank you.

At this point in time I think it's appropriate that I thank our presenters. I think that if you want to, you can move on, or you're welcome to stay. Thank you for your time with us today, and I look forward to the next one. Thank you.

Mr. Uebelein: Thank you very much.

The Chair: You're most welcome.

The next item on the agenda is a review of the committee's 2020 public meeting. As required under the trust fund act, this committee is required to hold a public meeting to inform Albertans about the status of the fund, which we did do here in this building on October 29, 2020. Due to the restrictions concerning social gatherings, last

year's public meeting was held under very different circumstances than in previous years. In other words, it was much more virtual. There were three members of the public who attended in person, with most interaction done by social media platforms. The meeting was broadcast on Alberta Assembly TV and live streamed on various social media lines.

At this time I'd like to call on Janet Laurie from LAO communications services to provide a bit of additional background and information regarding the broadcast and public response to the meeting. Please, Ms Laurie.

Ms Laurie: Thank you, Mr. Chair. The committee members have all received a copy of that report, so I won't go into great detail reviewing it. I'll just provide a brief overview, and then I'm happy to respond to any questions.

Our goals for the meeting, as you already mentioned, shifted a little bit for 2020. We wanted to notify Albertans about the meeting and then encourage online participation. Normally we would also be focused on in-person attendees, but for obvious reasons that was not advisable for this past meeting. From a communications perspective the meeting was successful as we achieved similar engagement to previous years, actually with a reduced total cost despite offering some increased services and dealing with some of the challenges of the pandemic. I can go into detail on those, but I think in the interest of time, you know, very briefly, we added a phone-in option to increase accessibility and engagement across different demographics and audiences, and there were a couple of factors at play that ended up reducing the overall costs as a direct result of the pandemic in one case and the U.S. election in the second case.

2:50

In terms of measurement strategies we looked at social media analytics, including both organic or unpaid posts as well as our paid advertising on social media. We also administered a survey following the meeting, and that was all done online. It's a very small sample, but it does still provide valuable qualitative feedback from some of the most engaged participants in the meeting. What we continue to see with those survey results is that not only is social media the primary means for reaching, educating, and engaging with the public about the annual meeting, but it seems like it's sort of increasing its lead as that primary means. As I said, it's a very small sample size, but it's worth watching and it's something that we take into account when we're planning for future meetings.

I think with that, I'm happy to take questions from anybody if there were specifics that committee members might want more detail about.

The Chair: Members, questions or comments?

Mr. Getson: First, I'd like to make a comment: well done. I mean, you know, we kind of looked at the first few. We kind of looked at different ways of going about our meetings, maximizing our dollars and efficiencies. This year you folks just took and ran with it, and given all the circumstances: well done. Thank you so much for that. There were actually cost savings, looking at the report on this. Fantastic.

The only thing I would ask is: for this upcoming one that we're going to have, any improvements or any things that we should be thinking about or looking at now to try to help you to make sure it's even more of a success?

Ms Laurie: Thank you very much for your comments. I appreciate that. You know, as we lead up to the 2021 annual meeting, I certainly think that engagement from the committee members and your ability to disseminate information about the meeting when you're connecting with your constituents is a really valuable means. They're often very involved members of the public, so I think that's a great way to reach more people. I definitely appreciate the question, and we'll certainly revert when we're planning for the 2021 meeting.

The Chair: Any other members? No.

Well, we'll move on, then. We, of course, have that recorded in our minutes, and we'll address the next meeting when the time comes.

I think that our next item of agenda is the committee's annual report to the Legislative Assembly. Section 6(4)(c) of the trust fund act requires us to report to the Legislative Assembly on whether the mission of the fund is being fulfilled. The last report was made July 22, 2020 – boy, there are a lot of 2s in there – which covered the activities of the committee for 2019. Past practice has been for the clerk to prepare a draft report for the committee's consideration. Then, once approved by the committee, the report is tabled in the Assembly during the spring sitting of the Legislature. Do members have any comments or questions regarding the committee's report to the Assembly or our procedure with that if we were to just direct the clerk to prepare a draft? No comments? No questions? Nothing online. I don't see any.

Ms Phillips: Mr. Chair.

The Chair: Member Phillips, please. Yes.

Ms Phillips: I just have one request of the clerk: if the previous reports could be posted at least on the committee's internal website. I know they're publicly available, but it would be good to sort of have them there in advance of the draft. I think that would be helpful for the members when we're looking at the draft of this one.

Thank you.

The Chair: Okay. Thank you very much.

Anybody else? No.

With that, I will ask the clerk to prepare that draft for us, and we'll have it available at our next meeting. Thank you.

Next item. Any other issues for discussion before we wrap up today's meeting? Anyone? No. Okay. Nobody online? No.

The date of the next meeting will be at the call of the chair, as we usually do it, after the third-quarter report of the fund becomes available.

You know what? We're going to make it. I don't even have to ask for unanimous consent to go beyond the agenda time.

So if there's nothing else from any of the committee members for consideration, I will call for a motion for adjournment.

Mr. Getson: I'll make that motion.

The Chair: Member Getson has made a motion to adjourn. All in favour? Any opposed? Online, all in favour? Any opposed? That motion is carried.

Thank you very much. With that, I will declare the meeting adjourned.

[The committee adjourned at 2:56 p.m.]

