



Legislative Assembly of Alberta

The 30th Legislature  
Second Session

Standing Committee  
on the  
Alberta Heritage Savings Trust Fund

Friday, October 15, 2021  
10 a.m.

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**Legislative Assembly of Alberta  
The 30th Legislature  
Second Session**

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

Orr, Hon. Ronald, Lacombe-Ponoka (UC), Chair  
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Deputy Chair

Eggen, David, Edmonton-North West (NDP)  
Frey (formerly Glasgo), Michaela L., Brooks-Medicine Hat (UC)\*  
Gray, Christina, Edmonton-Mill Woods (NDP)  
Issik, Hon. Whitney, Calgary-Glenmore (UC)  
Jones, Matt, Calgary-South East (UC)  
Lovely, Jackie, Camrose (UC)\*\*  
Phillips, Shannon, Lethbridge-West (NDP)  
Singh, Peter, Calgary-East (UC)  
Yao, Tany, Fort McMurray-Wood Buffalo (UC)\*\*\*  
Yaseen, Hon. Muhammad, Calgary-North (UC)

\* substitution for Whitney Issik

\*\* substitution for Ronald Orr

\*\*\* substitution for Muhammad Yaseen

**Office of the Auditor General Participants**

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Brad Ireland	Assistant Auditor General
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## **Standing Committee on the Alberta Heritage Savings Trust Fund**

### **Participants**

Ministry of Treasury Board and Finance

Lowell Epp, Assistant Deputy Minister, Treasury and Risk Management

Athana Mentzelopoulos, Deputy Minister

Alberta Investment Management Corporation

Dale MacMaster, Chief Investment Officer

Amit Prakash, Chief Investment Strategy Officer

Evan Siddall, Chief Executive Officer



**10 a.m.****Friday, October 15, 2021**

[Mr. Rowswell in the chair]

**The Deputy Chair:** Good morning, everyone. I'd like to call this meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund to order and welcome everyone in attendance.

My name is Garth Rowswell, the MLA for Vermilion-Lloydminster-Wainwright and deputy chair of the committee. I'd ask those members attending the committee at the table to introduce themselves for the record, and then I'll call on those joining by videoconference. We'll begin, I'll say, to my right, then all the way around to you.

**Mr. Eggen:** Okay. Thank you, Chair. My name is David Eggen. I'm the MLA for Edmonton-North West. Good morning, everyone.

**Ms Gray:** Good morning. Christina Gray, MLA for Edmonton-Mill Woods.

**Ms Robert:** Good morning, everyone. Nancy Robert, clerk of *Journals* and committees.

**Mr. Huffman:** Good morning. Warren Huffman, committee clerk.

**Mrs. Frey:** Michaela Frey, MLA, Brooks-Medicine Hat.

**The Deputy Chair:** Thank you.

We'll go online, you know, and get you to introduce yourselves as I announce you. MLA Lovely.

**Ms Lovely:** MLA Jackie Lovely, Camrose constituency.

**The Deputy Chair:** MLA Jones.

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

**The Deputy Chair:** MLA Phillips.

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

**The Deputy Chair:** MLA Singh.

**Mr. Singh:** Good morning, everyone. Peter Singh, MLA, Calgary-East.

**The Deputy Chair:** MLA Yao.

**Mr. Yao:** Tany Yao, Fort McMurray-Wood Buffalo.

**The Deputy Chair:** All righty. We also have guests from the Ministry of Treasury Board and Finance, AIMCo, and the office of the Auditor General joining us. If I could ask you to introduce yourselves for the record. You can just go ahead and start.

**Mr. Siddall:** I suppose I'll go. It's Evan Siddall, CEO of AIMCo.

**Mr. MacMaster:** Dale MacMaster, CIO, AIMCo.

**Mr. Prakash:** Amit Prakash, chief investment strategy officer, AIMCo.

**Mr. Ireland:** Good morning. Brad Ireland from the office of the Auditor General.

**Mr. Robe-From:** Nelson Robe-From from the office of the Auditor General.

**The Deputy Chair:** Have we got Treasury Board and Finance? They're not here right now? Okay. All right. We'll get to them.

For the record I will note the following substitutions: Jackie Lovely for Ron Orr and Tany Yao for Muhammad Yaseen.

**Mrs. Frey:** And me for Minister Issik.

**The Deputy Chair:** Oh, yeah. I'm sorry. For Minister Issik, we have Michaela Frey.

A few housekeeping items to address before we turn to the business at hand. Pursuant to the direction from the hon. Speaker Cooper I would note for members that wearing masks is required in the committee room except when you are speaking. Members are also encouraged to leave an appropriate amount of physical space between you. The committee room galleries are currently closed to the public, so guests attending committee meetings are required to do so virtually. Please note that the microphones will be operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast through Alberta Assembly TV. The audio- and videostream and transcript of the meeting can be accessed via the Legislative Assembly website. Those participating by videoconference are asked to please turn on your camera while you are speaking and to mute your microphone when you're not speaking. Members participating virtually who wish to be placed on the speakers list are asked to e-mail or send a message in the meeting chat to the committee clerk, and members in the room are asked to please signal to the chair. Please set your cellphones and other devices to silent for the duration of the meeting.

So we'll move on. A copy of the agenda has been circulated. Are there any changes or additions to the draft agenda?

If not, would someone like to move the motion to approve the agenda? Thank you, MLA Frey. Moved by MLA Frey that the agenda for the October 15, 2021, meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund be adopted. All in favour in the room, say aye. Any opposed? All in favour online, say aye. Any opposed? Okay. Thank you. That's carried.

Now the approval of the minutes. Next we have the draft minutes for the June 25 meeting. Are there any errors or omissions to note by anybody?

If not, would a member like to make a motion to approve the minutes? MLA Gray moved that the minutes of the June 25, 2021, meeting of the Standing Committee on the Alberta Heritage Savings Trust Fund be approved as distributed. All in favour, say aye. All in favour online, say aye. Any opposed? That's carried.

The Alberta heritage savings trust fund first-quarter report for '21-22 was publicly released on August 31, 2021, and a copy was made available to the committee on the 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 operations and results of the heritage fund. With this in mind, we're pleased to have officials from the Ministry of Treasury Board and Finance and AIMCo joining us to provide an overview of the report and answer any questions members may have.

I'll turn it over to Treasury Board and Finance and AIMCo to make their presentation.

**Mr. Epp:** Thank you, Mr. Chair. My name is Lowell Epp. I'm the assistant deputy minister of treasury and risk management for the Department of Treasury Board and Finance. We've had some technical difficulties here, but I have Ms Athana Mentzelopoulos and Brittany Jones here with me off camera. Minister Toews is unable to attend today and sends his regrets, but it is always a

pleasure to speak to the committee on the heritage fund and give you an overview of the first-quarter results.

The first quarter of '21-22 was a very good quarter for the fund. It earned a return of 5.5 per cent, and if we could be so blessed and earn 5.5 per cent in every quarter, that would be 22 or more per cent for the year, so a very good quarter. The results in this quarter, as they did in recent other previous quarters, reflect the continued rebounds in market returns since March 2020. World equity markets, as you will recall, hit their lowest level towards the end of March 2020, and since that time world equity markets have done very well. As measured by the MSCI all-world total return index, equities around the globe have earned over 60 per cent since March 2020.

When the markets fell in 2020, of course, the fund's investment strategy of focusing on the long term was tested, but the results from this quarter and recent other quarters show that the fund has benefited from its patient and long-term view in its approach to the investments.

As always, the appropriate focus when looking at the fund returns is to look at the longer term. Many years ago a target return for the heritage fund was established, and this is earning a 4 and a half per cent real return over a five-year period. This is the primary measure used in evaluating whether or not the heritage fund's investment policies are providing target returns for the fund.

Over the last five years the average compound return on the heritage fund has been 8.2 per cent. This compares very favourably to the target. Inflation, as measured by the consumer price index for Canada, has averaged 1.6 over the last five years, making the target return equal 6.1 per cent, and of course the heritage fund's returns have exceeded this by 2.1 per cent over the last five years. This is another example of how the focus on long-term performance provides real returns and meets real returns over a longer period of time.

#### 10:10

In the annual report for 2019-20 the fund reported a five-year average of 5.2 per cent, 1.9 per cent below the target of inflation plus 4 and a half per cent. Since that time we have recovered and are now exceeding the target. For information, the fund earned an average compound return of 9 and a half per cent over the last 10 years. By not panicking and being patient, the heritage fund has been able to take advantage of the market rebound, and its returns are well above target.

A second measure of investment performance for the fund is the objective to exceed the performance of a representative passive benchmark by 1 per cent. In other words, by actively managing the fund, it is expected that actual performance, or actual returns, will exceed that of a passively managed portfolio by 1 per cent, or a hundred basis points. Over the last five years the passive benchmark has earned a return of 8.2 per cent, the same return that the fund has earned over that period, meaning, unfortunately, that the fund has not achieved its value-added target during that period.

Now looking at the last quarter briefly, over the last quarter performance was driven primarily by the performance of equities held within the fund. Equities earned 11.6 per cent during the quarter; private equities were the particular star in this group, earning a return of 20 per cent during the quarter. At quarter end the fund had just over 50 per cent, 51.6 per cent, of its assets invested in equities. AIMCo, as investment manager, earned 3.6 per cent over the passive benchmark during the quarter. The other two major asset classes, inflation sensitive and alternative assets and fixed income investments, also did relatively well during the quarter, far less than equities but still did well.

Inflation sensitive and alternative assets earned a return of 2 per cent over the quarter while fixed income investments provided a return of 1.7 per cent. These two asset classes make up 29.4 per cent and 18.6 per cent, respectively, of the fund's value at the end of the quarter. The heritage fund earned a net income of \$668 million during the quarter, of which it is estimated that \$127 million will be retained by the fund for inflation proofing and that the remaining \$541 million will be transferred to the general revenue fund. These are estimates, of course, because transferring that income to the general fund is done on an annual basis and measured after the entire year is complete. If things stay relatively calm and positive over the next nine months, we hope to meet or exceed our budget target for income.

Overall, I would say that the fund has had a good start to the year, but of course the report only reflects one quarter. Obviously, there's a great deal of uncertainty, and one never knows, especially at this time, how the next few quarters will go. But a good start to the year, by all means.

Thank you, Mr. Chair. That concludes my remarks.

**The Deputy Chair:** Okay. Thank you very much.

Were there any remarks from anyone else?

**Mr. Siddall:** Mr. Chair, if I may.

**The Deputy Chair:** Yes. Go ahead.

**Mr. Siddall:** Thank you. My colleagues and I are pleased to appear before this committee as part of our accountability to Albertans. I gather there were some questions about our last appearance, and I do hope committee members understand that while AIMCo will always appear when asked, from time to time other pressures may require me as CEO to rely on other colleagues, but I will commit to my personal presence at least twice per year.

I'm Evan Siddall, and I was appointed chief executive officer of Alberta Investment Management Corporation in July. I'm here with Dale MacMaster, our chief investment officer, and Amit Prakash, our chief investment strategy officer. Having moved to Edmonton recently, I'm delighted to live along the North Saskatchewan River valley, the heart of the city and a place of travel, community-making, and trading from ancient times, beginning with the Nehiyaw, Denesuline, Nakota Sioux, Niitsitapi, Anishinabe, and Métis Indigenous peoples.

Every morning I watch people on their way to work walking or biking on the path in front of my house, and I imagine that they are the teachers, nurses, police officers, first responders, and other public servants whose savings AIMCo is entrusted to invest. It reminds me that AIMCo exists to help our clients secure a better financial future for Albertans. We're guided by a sense of purpose that starts with our clients, including the heritage fund, which we're here to discuss today. With so many of these people working harder than ever to keep Albertans safer during the COVID-19 pandemic, we want to reassure them that their retirement funds are safe.

I want to begin by reporting to the committee that AIMCo's performance this year to date has been strong across the board. In the first half of the calendar year AIMCo earned a total fund return of 7.3 per cent. As Mr. Epp has testified and as Dale will explain further, the heritage fund has also performed well in 2021, earning a return of 5 and a half per cent during the first quarter of the fiscal year and handily beating its comparative benchmark by almost 2 per cent.

Now, I recognize that these results cannot be looked at in isolation. As the committee knows well, in 2020 AIMCo faced significant trading losses due to a volatility trading strategy. In the wake of these losses our board and management did the right thing. They undertook

a comprehensive review of our risk management practices, identified the root causes of the company's failures, and recommended improvements. Thirty-one recommendations emerged from that review, and we are on track to complete them by year-end. I'm proud to be leading AIMCo at this inflection point.

We know we need to rebuild trust, and we're doing so by devoting our work to the clients we serve. This renewed, client-centred focus is evidenced by AIMCo's recently signed investment management agreement with the Alberta teachers' retirement fund. The agreement follows collaborative discussions to define how we can work together to ensure that AIMCo best serves the interests of the ATRF and its most important constituents, Alberta's retired and active teachers. We look forward to signing similar agreements with other clients soon.

Now, being conscious of the people we serve makes us more mission driven as well. We're working on purposeful investment strategies around E, the environment, climate change, and the transition to a low-carbon economy; S, activities that benefit society; and G, governance of both AIMCo and the companies in which we invest. Very simply, mission-driven organizations outperform. Research shows that they are more productive and innovative. For large, long-term investors like AIMCo, this is the opportunity that ESG investing represents. We desire a better future for Albertans. That means investing both to insulate people's savings from climate change and to profit from the combined benefits of a long-term investment horizon and our home field advantage as Albertans in energy know-how.

Now, I want to be very clear in stating that we believe that divesting in hydrocarbons would miss an urgent opportunity to work with the companies who have the most to lose as well as the ingenuity to win as the world transitions to a low-carbon economy. Divestiture may indeed be counterproductive to climate goals, serving only to increase the cost of capital for the companies most in need of transitional funding. Helping carbon-intensive businesses adapt may be the most important contribution to make, not something to be avoided. AIMCo will invest so that our clients profit from the economic transition ahead, first of all. Building Alberta's financial future also means protecting our province's economic prospects.

We are in the business of making investment decisions. Good decision-making starts with governance. At AIMCo that started under a fortified board led by our chair, Mark Wiseman. This also includes evaluating how companies we invest in make decisions and how they are governed. We want to see diversity on boards and executive teams to be sure they are exposing their choices to the challenge of a broad range of views. My hope is that through these changes our clients will renew their trust in us to secure long-term financial prosperity for the people of Alberta that they represent.

Thank you for the opportunity to speak with you, and we look forward to your questions.

Before that, however, it's my pleasure to introduce Dale MacMaster, our CIO. Yesterday we announced that Dale will be retiring at the end of March, following a search for and transition to a new CIO. I want to acknowledge Dale's 23-year career, dating back to the days of the investment management division of the government of Alberta. Dale has seen AIMCo grow from \$69 billion under management and 138 employees in 2008 to the 590-person-strong organization we are today, with more than \$150 billion under management. I'm grateful that Dale is being patient about his retirement and will help us manage through this leadership transition. We all owe him a debt of gratitude for a career of public service to this province and to Albertans.

Dale.

**Mr. MacMaster:** Thanks, Evan, for that warm introduction. Good morning, everybody. I'm very pleased to be here once again. You know, I think the most important message I can leave with you today and one I think you're aware of by now, perhaps, is that this remarkable V-shaped recovery in global growth over the past year and a half has led to a sharp recovery in the capital markets and certainly strong returns for the heritage fund for the first fiscal quarter, ended June 30. I can also tell you that this trend has continued into the second fiscal quarter, ended September 30. You'll see these positive results for the heritage fund at our next meeting, good, solid returns once again and outperformance on the part of AIMCo.

**10:20**

During this quarter, ended June 30, markets were driven higher by strong earnings growth, continued monetary stimulus, improved business and consumer sentiment as vaccination rates continue to climb sharply in most parts of the world. Interest rates have remained steady at very low levels through the quarter despite higher inflation readings.

With that as a backdrop and building on the strong momentum from the previous quarter, the heritage fund ended with a gain of 5 and a half per cent, as Lowell pointed out, and beating the benchmark by 2 per cent. Again, the main drivers were private equity and public equity, you know, private equity up 20 per cent for the quarter and up a remarkable 65 per cent on a year-over-year basis. The economic environment has been very favourable for private equity this year, and fund flows into the asset class have been robust. The demand for private equity has allowed us to harvest gains through the sale or partial sale, in some cases, of several very successful investments that we made over the past few years, and this has boosted returns for the fund.

Public equities have also performed well. Canadian equity is up 9 per cent for the quarter, 40 per cent on a year-over-year basis. Global equity is up 7 per cent for the quarter and 33 per cent on a year-to-date basis, with AIMCo exceeding benchmarks in all cases. The one-year return for the heritage fund is 16.6 per cent, with AIMCo outperforming the benchmark by 4.7 per cent. Once again, private and public equities were the main drivers of one-year returns although we're getting benefits from all asset classes.

While it's encouraging to see such strong returns over the quarter and the past year, it's always the long term that we like to emphasize, and it's the long term that I often discuss when I'm here at these meetings. Markets, as you know, can be volatile on a short-term basis, and last year, 2020, was certainly a challenging year for investors and us at AIMCo, as Evan pointed out. If we do look at that long-term return, 10-year returns of 9.45 per cent, we also see that AIMCo outperformed the benchmark by 60 basis points. The return also exceeded the real return expectation for the fund, which is the Canadian CPI plus 4 and a half over a five-year period. That was 8.2 per cent versus the 6.1 benchmark there, for an excess return of 2.1. So this is good for all of us to see as well.

In terms of the outlook, you know, as I mentioned earlier, you're going to see higher returns in your next report based on strong performance to the end of September. Looking ahead, the U.S. Federal Reserve has indicated that it will begin the process of moderately scaling back its large pandemic-era asset purchase program, and this is likely a first step in a long process of withdrawing some of the stimulus put in place in response to the pandemic.

We also expect inflation to remain elevated for the next year. Interest rates should rise modestly over the coming months, and with valuations stretched in many markets, we should expect a more volatile market environment. Supply chain issues are another variable

that is unlikely to go away any time soon, so despite the potential for a more volatile environment, we are mildly constructive on risk assets such as public equities and credit, and this is against a backdrop of the recovering global economy. While interest rates will rise, we should remember that they are still at very low levels. While equities seem richly priced, continued earnings growth should provide some support, and we've seen recent evidence of this just this week with some U.S. earnings reports.

In any case, a potential market pullback for us at AIMCo would allow us to reset long-term positions at more favourable terms, and this is our standard playbook. Global demand for illiquid assets is increased, and this is being reflected in higher valuations for the assets in the heritage fund portfolio. But I would say as well that despite competitive market conditions for high-quality assets, we continue to find attractive opportunities for our clients in all asset classes.

This concludes my comments. Thank you.

**The Deputy Chair:** Okay. Thank you very much.

Is there anyone else from any of the groups that would have any other comments? Okay.

If not, we'll proceed with questions. The way we'll operate is that we'll start and go back and forth, alternating until we run out of questions, and if the other side has got a bunch, we'll keep going.

To start the questions, we'll start with MLA Jones.

**Mr. Jones:** Thank you, and thank you for that presentation. As it relates to the management of the Alberta heritage savings trust fund, does AIMCo perform fraud audits or internal audits or internal reviews, whatever you would call them, on a regular basis? If so, can you discuss what that entails, the frequency of these reviews, and who is responsible? I have a supplemental after.

Thank you.

**Mr. Siddall:** Dale, are you in a position to answer that?

**Mr. MacMaster:** Sure. You know, that has a couple of components. First of all, any investment that we make, whether it's in public or private markets, undergoes deep due diligence, which includes background checks on all the players involved in any investment to ensure that we're not exposing our clients to any fraud. So there's that aspect to it.

We also have a very, very robust internal cybersecurity wall set-up, which is continually updated to protect the organization and our clients, again, from potential fraud. As I think everyone in the room knows, this is an ongoing battle. The minute the wall of protection is built up – you know, the cybersecurity experts try to get one step ahead. This is an ongoing, high-level risk for all organizations. AIMCo gets regularly reviewed by our internal audit team as well as external audits and consultants in the business to make sure that our protections are state of the art.

**Mr. Siddall:** Yeah. I'll just add with respect to the question – I'm actually just looking at it. I don't see anything that's Alberta heritage savings trust fund specific, but certainly our operations are all, as Dale said, subject to regular review and audit.

**Mr. Jones:** All right. Then, just briefly, have these reviews, the work that you're doing from the internal audit perspective, revealed anything concerning over the previous quarter as it relates to the heritage fund, over the last year?

Thank you.

**Mr. Siddall:** No, sir.

**Mr. Jones:** Thank you very much.

**The Deputy Chair:** Thank you.

Our next questioner is MLA Eggen.

**Mr. Eggen:** Thank you, Chair, and thanks for your presentations, each of you. On behalf of the Official Opposition I would first like to welcome Evan to his new role as the AIMCo CEO and – a bit of a surprise – to wish Dale MacMaster all the best for his service and congratulations on that choice as well.

We've seen some early, very promising moves in the organization, I must say, things that we're quite encouraged by, and then, most notably, the end to the legal dispute with the teachers and what seems to be a more client-centric approach from your new leadership. We appreciate that, both substantively and the tone that that sets as well for Albertans. Of course, on behalf of all Albertans, who are the actual clients of the heritage fund, we just want to ask maybe some questions to the new CEO here this morning.

First, this report shows that AIMCo has delivered very poorly, actually, in value over the benchmark over the last five years, and, you know, it's an indication that over that five-year period there have been some issues that needed to be rectified. To our new CEO: I'm sure you've had a chance to take stock, as you said in your introductory remarks. We heard via the press of some of the challenges you're facing in regard to organizational culture, risk management practices, client relationships, and so forth. You already sort of summarized some of these things, but if I could ask you: what's the thing that you see that's your most promising asset in AIMCo, the thing that's going the best? What's the one thing that you need to rectify, and how might you be strategizing to fix that most pressing issue that is on your desk right now?

Thank you.

**10:30**

**Mr. Siddall:** Thank you, through the chair, for that question. I just want to elaborate on your reference to the client centricity of leadership. You know, the wonderful thing about being a CEO is that you get to take credit for other people's work. I know I personify the company in some ways, but I truly represent 590 people who believe we should put our clients first. In fact, we surveyed our team in I think it was June, just before I started, and this was the top issue. Improving our relationship with our clients and delivering better client service is the will of the employees of AIMCo. I think it's important that you know that this is not just coming from one person; it's coming from Dale and Amit and all of our colleagues as well.

The one thing that is an asset, I think, is that; it's the commitment of these people to do right by our clients and to do right by the people of Alberta. As I said, mission-driven organizations outperform. Research shows that. It's for us, for me as CEO, to repeat this message and to make sure it's front and centre as a motivator to people. I think that kind of thing, in addition to the work that we've done internally, that I mentioned in my comments about the 31 items that came from a very rigorous review of our risk management practices, is the key.

Now, as to the thing that we are attending to right now, I think it has to do with accountability and transparency. You know, we published half-year results for the first time. You will find me a candid person. I believe, as my colleagues do, in the importance of this accountability. We need to improve our reporting to our clients and just be a more transparent organization or maybe appear to be, because I think we've been, perhaps, more transparent than folks give us credit for. But that's on us to demonstrate.

**Mr. Eggen:** Well, thank you. I appreciate your candour.



Just supplemental to that, then, you know, it's my view and, I think, the view of lots of people looking at the heritage trust fund and AIMCo that reputation is something that needs to be built and to be nurtured. Of course, when you're putting out reputational fires, then everything loses focus in terms of moving forward. To that end, what steps and strategies are you considering implementing to help to build that sense of trust and the reputation that AIMCo needs to move forward?

**Mr. Siddall:** Again, through the chair, I'll respond, and I'm going to invite Dale to elaborate. The first thing we need to deliver is performance, and we've demonstrably done that this year. Now, you know, it's a part year, but it's certainly better than the alternative. That's the first thing. My, I would say, careful interviews earlier this week are part of talking about how we will recover our reputation, again, through a lens of accountability, through the press, to the public of Alberta.

So that, in addition to the fact that we will be finalizing a strategy. Our executive team is meeting next Tuesday. Our board will meet after that. In the interim we'll consult with our clients on a strategy that puts them first. By putting them first, we will build the reputation that we should have in being a client-first organization. We're often conflated with the other pension fund managers in Canada. Only a few of us are multiclient. Most of them are single-client firms. That's a different way of behaving. We need to internalize that and show it in how we behave and in our strategy.

**Mr. Eggen:** Thank you very much.

**The Deputy Chair:** Our next question . . .

**Mr. Siddall:** I'm so sorry.

**The Deputy Chair:** No. Go ahead.

**Mr. Siddall:** Dale, did you want to add?

**Mr. MacMaster:** I would just emphasize the importance of our mandate, which is the delivery of performance, in particular of performance over benchmarks, which, as this committee knows, in my presentations prior to 2020 were quite good, exceeding benchmarks. As you pointed out earlier, the early signs now in 2021 are that we're getting back on track to that level of performance. That, to me, is the single biggest thing, which is delivering on AIMCo's mandate to the people of Alberta.

**The Deputy Chair:** Thank you very much.

The next question comes from MLA Yao.

**Mr. Yao:** Thank you, Chair. My questions are about environmental, social, and governance factors. I have concerns around this issue because we see agencies like that which governs Norway's trillion-dollar fund, and they have pushed Alberta's industries aside, in which I'm very disappointed. But to my question. You strive to integrate environmental, social, and governance factors into your investment decision-making processes, as you've explained before, and given that Alberta is a leader in ESG principles globally, can you explain how you integrate ESG principles into your investing and what implications that has as you look for opportunities elsewhere?

**Mr. Siddall:** Dale, do you want to talk about current practices?

**Mr. MacMaster:** Sure. I can get us going. This could be a long conversation on ESG and climate change generally. As you pointed out, AIMCo has been a leader in the area of ESG for many years, and all of our investments, every single investment, in particular on

the illiquid side, the private side, goes through an ESG due diligence, you know, where we score every single investment on that basis. That is one way that we integrate it, but you have to remember that our responsible investing team is multifaceted in that not only is it inward-looking and making sure that our investments pass muster in terms of worker safety, environment, diversity, where our team is actively working with regulators, peers, and portfolio companies to ensure that they're meeting the high standards of ESG factors.

For those who are laggards, rather than exiting – as you know, we are voice over exit, working with companies to bring them forward, and it's been very successful. When you handle \$150 billion under management and you're a large investor relative to the Canadian landscape, when AIMCo, you know, sends a letter to a portfolio company to ask questions as to why there's not more board diversity, we get a response, and it has actually helped to move everyone to higher standards. Again, it's not us alone. The entire industry is working that way. Our peer investors are working that way, so we're fully integrated with those.

Climate change is top of mind. We believe there are risks and opportunities. There are issues today around how we measure things like carbon footprint and CO<sub>2</sub> emissions. We're working with the standard bearers, the folks that are creating standards, working with them to help guide them to standards that are world-class and that everyone can use. So we're benchmarking the same way. That's very active. As Evan pointed out in his opening statement, being based in Alberta, we think there's tremendous opportunity within the climate change world to work, to secure high returns for our clients, at the same time moving on a path towards a greener future.

Let me just give you three examples. As you know, we've been investing in renewables for many, many years, so that's clearly an area we're active in. But there's also opportunity in clean tech, in emerging technologies that might be slightly riskier. That's another strategy that we can employ, again, working with laggards who may be involved in, say, coal-fired generators or lagging in climate change activities, to invest with them and work with those companies to move them forward to a greener future. That can result in a lift in valuations for our clients as well.

So you can see, as I speak here, that there are multiple strategies for us to employ that will earn a return for our clients and at the same time benefit all Albertans and Canadians, quite frankly, towards a greener future.

**Mr. Yao:** Chair, can I have a follow-up, please?

**The Deputy Chair:** Yes, you can. Go ahead.

**Mr. Yao:** Thank you very much, and thank you for that answer.

So these ESG principles are becoming more important with all of your counterparts around the world, and sometimes these pillars can be in conflict with each other, depending on the circumstances, particularly when it comes to the investment opportunities. Now, as I've learned before, your job is to hedge against Alberta's economy, so you don't necessarily invest a substantial amount in industries that are Alberta based, but when thinking about each of the pillars of ESG investing, how do you weigh one against the other, and what's your approach to that? I guess my ultimate question is: do you have influence on your counterparts around the world with all these other investment agencies and educating them on Alberta and its industries?

Thank you.

10:40

**Mr. Siddall:** I'll take a shot at this, and I'll invite my colleagues to elaborate if they want. I'm not sure our job is to hedge against the

Alberta economy. I mean, we do position ourselves defensively and offensively – that’s true – but the future of Alberta, as I said in my opening comments, the prosperity of this province is important to the fund and to our clients. That’s a nuance, of course.

On, you know, ESGs, it can be a popular thing, and there’s a lot of greenwashing kind of activity going on. I wanted today and we wanted collectively to draw a line on our position here as against this momentum behind divestiture. We just don’t think it’s wise. We don’t think it’s wise investing, and we don’t think it’s wise economic planning either. Those two tend to walk hand in hand. That’s our point of view.

As far as influence goes, you know, on this, we and others, like CPPIB, are bringing a particular Canadian perspective and, of course, a particular Albertan perspective to the discussion around energy. I think that is influential, and I think it is meaningful, and we participate in a range of different fora where we will make those views known.

I just look to my colleagues to see if you want to add anything.

**Mr. MacMaster:** Well, I would like to just go back to that first comment because I think it’s important to everyone around the table that we are very heavily invested in Alberta. Roughly 6 or 7 per cent of the asset base is typically invested in Alberta, and the reason why we’ve been invested in Alberta for so long is that it’s simply a great place to invest. Up until recently it’s been the leader in growth across Canada, with an educated workforce, a young workforce, with favourable incentives and tax structures within Canada. It has been a terrific place for us to invest. We do that solely based on the merit of the investments we see. Yes, we all know things have fallen on hard times, but I’m encouraged by some of the recent developments, especially the rebound in the energy sector, which will benefit all of us. We continue to be enthused about the opportunities here.

**The Deputy Chair:** Okay. Thank you.

Our next questioner is MLA Gray.

**Ms Gray:** Thank you very much, Mr. Chair. Let me just begin by saying thank you, Mr. MacMaster, for your 23 years of service. Your upcoming retirement: that’s very exciting.

And welcome to the new CEO, Mr. Siddall. Good to have you here at the meeting, and my question is for you. I had the opportunity to read your recent sit-down with the *Financial Post*, and it’s good to get a better sense of your thoughts and your leadership style. Now, in that sit-down you indicated that AIMCo does not exist to be a tool of government, and you stated that you wanted AIMCo to become even more arm’s length, and I think that’s very positive. Now, as stewards of the heritage savings trust fund this committee as well as all Albertans need to better understand the relationship between government and, in turn, the risks to the fund when that relationship isn’t as arm’s length as it should be.

In the article you mentioned on the record that you’ve provided advice to the government on how to make AIMCo more independent. I’d like to pose to you a three-part question. To whom in government have you shared your advice? Did that advice include removing the ability for Treasury Board and Finance to make specific directions to AIMCo on investments? And regardless of your answer to question 2, what other recommendations or advice have you shared that would benefit AIMCo governance and, through that, all Albertans through good stewardship of the heritage savings trust fund?

**Mr. Siddall:** Thank you for the question. You can imagine that we have ongoing conversations. I don’t think it’s newsworthy that we’ve had conversations with officials in Treasury Board and

Finance at a range of levels around the independence of the business for the benefit of our clients, including the heritage savings trust fund. Those include the ability of the government to direct investments, which by legislation it can, and that could compromise the perceived independence of the institution. I would say to you that I don’t think this is novel. I’m sure my predecessor gave the same perspective, and those decisions are not ours, of course. It’s just that we can offer a perspective, as our board chair has as well, on the sorts of things that would help AIMCo function even more independently as we’ve migrated over time from a government entity, literally part of Treasury Board and Finance, to an independent institution.

**Ms Gray:** Thank you very much. I agree. I think the fact that, yes, Treasury Board and Finance can direct investments is a potential risk and concern. I’m pleased to hear that you’ve provided advice around the risk that, I believe as you said, can compromise perceived independence.

For my supplemental question I’d like to pose it to Treasury Board and Finance. In the past the Minister of Finance has rejected the idea of removing his power to direct investments at AIMCo, and this position was echoed recently by the department in their comments with respect to Bill 208, the Alberta Investment Management Corporation Amendment Act, 2020, a private member’s bill. As a member of the committee for the heritage savings trust fund, knowing that there is this risk to compromise perceived independence, to the Treasury Board and Finance officials: now that you’ve had the opportunity to reflect on the comments of the new CEO of AIMCo and their recommendations, has the minister and, through him, the department changed its position on removing the power of Treasury Board to direct individual decisions? Yes or no? Regardless of the answer, what is the rationale of the government’s policy position on this issue and others raised by the new CEO?

**Ms Mentzelopoulos:** Thank you. I may ask Lowell to supplement my answer, but I actually am going to reflect on the legislative provision, which is section 2.1. “In providing investment management services to designated entities, the Corporation shall act in the best interests of the designated entities.” I think it’s that provision that has guided everything that the minister and TBF has done and will continue to guide any conversations in the vein of what I would say – and just reflecting on Mr. Siddall’s earlier remarks, there is reality and then there is perception. The reality is that Treasury Board has not and does not direct AIMCo. If we have more to do to support perception matching reality, then we will do so.

**The Deputy Chair:** Is there further comment from Lowell Epp?

**Mr. Epp:** I have nothing to add.

**The Deputy Chair:** You’re okay? All right.

Next question will be MLA Singh.

**Mr. Singh:** Thank you, Mr. Chair. I would like to thank Treasury Board and Finance and AIMCo for presenting to us today the first-quarter report of the Alberta heritage savings trust fund. Also, I’d like to thank the presenters of the office of the Auditor General for joining us today. My question is regarding the commercial real estate market in the time of – and I want to probably get highlighted: what challenges are you finding in the commercial real estate market given the persistence of the pandemic, and are you seeing any slippage in terms of the amount of commercial property being leased?

Thank you.

**Mr. MacMaster:** Thanks. Good question. You know, obviously, 2020 was a difficult year with the pandemic. When it comes to real estate, it was really – you were holding either winners or losers, right? There were some trends in place in real estate that were already trending beforehand that had some impact or were exacerbated by the pandemic.

Let me just give you a little bit of an example. Obviously, with the pandemic coming on, commercial real estate in the sector of office suffered as everyone worked from home. Obviously, that created stress on valuations. On the other hand, logistics, which is an example of a trend that was well in place due to e-commerce and the growth of online shopping versus bricks and mortar, accelerated. If you had warehouses, logistic centres, you did quite well. If you had office and retail, you did less well. Within the space of retail, for instance, if you had superregional malls like we own, they fared poorly compared to grocery and pharmacy anchored malls, which stayed open, obviously, as people needed to buy, you know, drugs and food. Things got flipped over a little bit there, so real estate suffered.

**10:50**

What have we been doing? As long-term investors we took advantage of that and did a number of transactions starting in April of 2020 right through year-end, taking advantage of the things that are important and separate us from other investors, which is long-term capital and patient capital. We were able to step into transactions that were broken, where other folks without balance sheets like we have had to step aside, and we were able to do a number of transactions at favourable terms. In the meantime we've been shifting the portfolio for some time away from retail and to a certain extent away from office towards logistics, health care, you know, life sciences, which are really growth areas within the real estate portfolio. I think that the portfolio is well positioned for the future based on that.

Another area that has done well is multifamily. We have large stakes there. We've continued to add to that. We've also, you know, widened our geographic footprint with more foreign assets in Europe and the U.S., which have done well.

You know, I think we've fared pretty well. The numbers are starting to get better. Obviously, there are evaluation adjustments for last year. Those are starting to come back, and I think you'll see those in September, operate adjustments in the real estate portfolio, and more so at year-end.

Just to give an example of how long-term we are, some of these assets that we own, which are the largest assets of the portfolio – so these are the big malls in Toronto, Yorkdale, Scarborough Town Centre, and Mississauga Square One, which we bought over 20 years ago and have been some of the best performing assets for the heritage fund over the last 20 years. I mean, this is a long-term focus. Now, those have been marked down recently, but those superregional malls will continue to do well once this pandemic passes. It's a great example of how we analyze and focus on investments over decades, not years.

**Mr. Singh:** Thank you for such a detailed answer. I do have a follow-up. Are you finding that the high vacancy rates found in places like Calgary are widespread, or is it more regional specific? And how is this factoring into the investment decisions?

**Mr. MacMaster:** Sure. I think in terms of commercial real estate – I think the question is still on that topic, am I right?

**Mr. Singh:** Yeah. Thank you.

**Mr. MacMaster:** Yeah. Unfortunately, Alberta had the double whammy because the energy sector was so badly hit. As everyone

around this table knows, oil prices went negative at one point in 2020. Alberta was particularly hard hit by a rollover of energy prices. It really started in 2014, but when the pandemic hit, it really got clobbered again. For office in particular, which had been, you know, built up assuming a certain growth trend experienced outside negative evaluations, right? We all know that vacancies in Calgary offices in particular are 30 per cent plus, so there was a pretty severe markdown of evaluations of those assets. We're hopeful that those have bottomed at this point, and certainly the emerging signs in the energy field today, where I think unemployment has dropped considerably – there's been 20,000 new jobs created in the oil sector in the last year based on the rebound in oil and natural gas. Hopefully, this is the bottom for that, but globally Calgary offices were one of the hardest hit, and certainly retail suffered as well.

**Mr. Singh:** Thank you for answering my questions. It is good to know about the investment decisions on the current situation in the commercial real estate market.

Thank you, Mr. Chair.

**The Deputy Chair:** Okay. Thank you very much.

Our next question comes from MLA Phillips.

**Ms Phillips:** Thank you, Mr. Chair, and thanks to Mr. Siddall for joining us here today. Thanks for laying out some of your initial thoughts on leadership for the organization via the *Financial Post* and *Globe and Mail* this week. In there you indicated that AIMCo is formalizing a climate finance plan with a possible net zero target over time. I think that's obviously consistent with what's happening with institutional investors across Canada but also around the world. I thank you for your leadership on that, but I'm going to look for a little bit more granularity and a bit more reporting back on that. You're not quite off the hook yet, Mr. Siddall.

You know, we've heard some of the top-level conversation about this already in today's meeting, but I want to drill in a little bit to the Task Force on Climate-related Financial Disclosures, the fact that AIMCo had signed on to it in November of 2020 via the Maple 8. By my reading, those kinds of metrics, targets, risk analysis, scenario analysis, the level of scoping of GHGs will in fact require some changes at AIMCo from their current responsible investing plan, which, as I recall it – I'm happy to be corrected – was developed at around the same time at COP 21. Now we're going in to COP 26, and there's a considerable amount of activity among institutional investors in this space. Can you tell me – and you can also follow up in writing; I'm happy to receive it – what will need to change? Can you put your finger on one or two elements of that plan that will have to change in order to reflect both the level of ambition and sophistication that has come from the TCFD?

**Mr. Siddall:** Thank you for the question. Let me say, first of all, never let us off the hook. That's what accountability is all about. My guess is that we'll never reach that point, and that's perfectly fine with me. Of course, we signed up with TCFD, and our reporting this year will reflect that we've got some work to do in building our capabilities internally and then developing a climate strategy after that. But, first, we actually need a corporate strategy, which – the company, in my knowledge, has never had a five-year strategic plan. We're working on that now with the board.

The first initiative that will come out of that will be a climate-related initiative. It's actually not developed yet, and as I said, we will look at the metrics of a net zero target. We've got to do the work to understand what that means, and then we'll be accountable to you for that. As Dale said and as I would echo, it's imperative for AIMCo to be a leader in this area given the energy know-how

in this province, the focus on climate change, and the importance of the future of Alberta.

**Mr. Prakash:** If I may?

**Mr. Siddall:** Yeah. Thanks, Amit.

**Mr. Prakash:** If I may just add. All of the work that we've done over the last couple of years is building the analytical foundation to be able to measure, whether it's carbon emissions or ESG metrics, more broadly as we know that this is an evolving area. That allows us to be in a lot better place now as we are working towards a more formal climate action plan to build upon a lot of the work that we've done. As I would mention, we will be publishing our third TCFD report in the fourth quarter this year, but all of that leads us to be more intentional about it, that as we publish a climate action plan, we would do it in conjunction with our discussions with our clients as well.

**Mr. Siddall:** You asked, if I may, what has to change. One is our intensity in this area for sure, and the others are engagement generally with broader people. You know, our board chair has a range of relationships. I had a long conversation yesterday afternoon with Mark Carney about what he's doing and what we can potentially do together. These are initiatives that will lead to a plan, but I'm afraid I have nothing to share with you now.

**Ms Phillips:** Well, as a follow-up – thank you, Mr. Chair, and if I may have your indulgence on a follow-up and a supplemental. Thank you. It would seem to me, then, that the organization is a little bit behind on this, and you've even been given a year reprieve in terms of the delay of COP 26. You know, I'm going to implore you to really step up this work not just because climate change is the most urgent issue of our time and we don't have an economy if we do not address the kinds of threats to our economy, our social fabric, our infrastructure, and everything but also because this is the economy now. To be behind is, I think, a risk to the organization, and it's a risk to Albertans as well. What it means is that we are then policy takers rather than policy leaders. That, we know, can be a strategic risk to the province, to our industries, and, in fact, given the contributions to the Canadian economy, to all of Canada.

**11:00**

I want to, then, kind of go over to another piece of this implementation, and that's around securities regulators. We know that the SEC is making a number of changes. Yellen has moved forward a number of pieces. Canada has a different securities regulation landscape. Having said that, some of this disclosure that is coming from publicly traded companies helps in your investment decisions.

**Mr. Siddall:** Yeah.

**Ms Phillips:** It helps you accomplish what you said at the beginning was your goal, which was to continue to invest in Canadian companies and indeed in the Canadian energy sector. So I'm wondering here, too – and, again, you can feel free to follow up afterwards with me for a level of granularity – what needs to change at the level of securities regulators, at the level of disclosure to make that job easier around the analytics, the metrics, that Mr. Prakash has talked about, and therefore to make it easier for you to justify those investments in Canadian firms and for other institutional investors to do the same.

**Mr. Siddall:** A very sophisticated question. I'm going to try and give a partial answer and then invite Amit and Dale to add to that if I may, Chair.

First of all, I want to make a partial acknowledgement that we're behind. I don't think that we're as far behind in investing per se, and Dale can elaborate on that. On measurement, Amit is building his team right now, and we've got some work to do. Clearly, on having a plan, we're behind. I'll just make that acknowledgement.

With respect to securities regulators what we really need are global standards, and those are evolving over time. Again, this was part of my conversation yesterday afternoon with Mr. Carney. Just to be part of that conversation and to know what's going on and to work with folks as those standards migrate is crucial. That's Amit's responsibility, so I'll invite him to elaborate, and perhaps Dale would like to add after that.

**Mr. Prakash:** Yeah. Absolutely. Thanks, Evan. The ESG space, particularly with climate, is evolving quite rapidly, and as you said, it's hugely important that we are at the forefront of it rather than being the recipients. One of the ways that we've been quite active to ensure that we have a voice at the table: our members are in both Canada-centric forums as well as global forums, which helps us sit alongside our peers and which amplifies our voices in pushing regulators and pushing firms towards more standardized and greater disclosures, which allow us as investors to make better informed decisions. This is an area that continues to grow, but this is an area that we have been quite active in to ensure that we have a presence and a voice that we're able to reflect not only as investors but, more particularly, as an investment shop based out of Alberta.

Dale.

**Mr. MacMaster:** Yeah. I would just add that, you know, I really have to take some issue with being behind, because I think AIMCo has been a leader. Perhaps the only area we're behind in is in making a public statement of questionable value. I think we're quite concerned when the standards and metrics haven't been finalized. We've got some early stats on our own portfolio that show, for those securities we can measure, that our carbon footprint has been reduced by, like, 20 per cent over 2019-2020. But we're kind of loath to make that sort of thing public before the standards have been, really, finalized. This is early going.

But in terms of climate action principles, we have those. There are four blocks to that. One is client focus. The other is our decisions around climate change. Our actions in the investment portfolio have to be research focused and informed. This gets back to the metrics and standards as well, which are quite weak. Then, realizing that there are both risks and opportunities, the risks, I think, are well recognized in our portfolio. The market is an arbiter or a synthesizer of the risk that exists, you know, in a liquid market. Then stewardship and focus, exercising influence through our proxy voting, through our advocacy, through our work with all of these organizations, including TCFD – we're right there at the table. We just haven't made a public statement yet, and I think that's a wise thing to do.

**The Deputy Chair:** Okay. Thank you very much.

The next question comes from MLA Lovely.

**Ms Lovely:** Thank you so much, Mr. Chair. I'm substituting for Minister Orr, which gives me a great opportunity to meet all of you for the first time. Thank you very much for the work that you do. We see on page 1 of the report that the fund returned 5.5 per cent over the last quarter, outperforming the benchmark return of 3.6 per cent by 1.9 per cent. This is encouraging news. My question: can you provide

insight as to what has contributed to this high performance in quarterly investment?

**Mr. MacMaster:** Sure. Through the quarter the leading contributors to value were private equity and public equity. Private equity is up 20 per cent, and the total equity portfolio is up 11.6 per cent. Those are the key drivers. Of course, the public equity number of 11.2 per cent consists of Canadian public equity up 9, foreign equity up 6.6, and then private equity up 20 per cent. So those are the key drivers, and those were the key drivers on a year-to-date basis and one year. Again, turning to that report, if you look at the one-year numbers – you know, equity up 49 per cent and private equity up 65 per cent – that is just gangbusters and great to see for the fund.

**Ms Lovely:** Thank you so much for the answer.

I do have a follow-up. It's great to see that we're performing above the benchmark, but are there parts of the portfolio consistently performing below the benchmark, and what is your approach to evaluating whether to stick with the current strategy or pivot to ensure maximum returns?

**Mr. MacMaster:** Good question. I would say that the portfolio is more or less firing on all cylinders in terms of relative performance. Of course, we can't control the absolute return. I mean, equities have had a good run. You know, they may falter here in the fall. If things look a little wobbly, we can't control that, but the value-add is really coming through in all portfolios. I would add that when we fail to add value, we take that quite seriously. I'll just give you an example. In the year 2019 we started a strategic review of the public equities portfolio because it had slipped behind its benchmark for two years running, not by much, and we undertook a strategic review that led to 43 recommendations that we implemented through 2020, and now we have six quarters straight of outperformance in that public equities portfolio.

Just to give you another example, private equity, we rebooted that strategy back in 2015. It had a slightly different investment strategy than we have today. Now, it took a few years to recognize the value, but you are seeing that now in these numbers, and that strategy was to target middle market private equity funds and then do co-invests. We've got a strong team that has the ability to do direct investing in private equity. We started on that path in 2015, and now you're seeing these fantastic results that we think will continue into the future, because we've reached a sort of escape velocity or a steady state in private equity that I think will benefit the heritage fund.

I'll commend my partners at Finance for having a fairly significant weight in the illiquid asset classes – you know, real estate, infrastructure, and private equity – which has really helped drive the returns for all Albertans.

**The Deputy Chair:** Okay. Thank you very much.

Our next questioner is MLA Gray.

**Ms Gray:** Thank you very much. I think I'm directing this question to the chief investment strategy officer, Mr. Prakash. We've all been following the news about Evergrande and the implications of their missed bond payments, and we hear of other Chinese developers who are warning of other defaults. For my first set of questions on this topic I'm just trying to get a sense of: does AIMCo have any exposure to the Evergrande debt? Did AIMCo join the likes of BlackRock, HSBC, UBS, and other large players earlier this year in buying up more Evergrande debt? If we have exposure, how large was it before, and what do we need to know as members of the Heritage Savings Trust Fund Committee as we're watching the financial news of this play out?

**Mr. Prakash:** Actually, Dale, why don't you start out.

**Mr. MacMaster:** Sure. Okay.

**Mr. Prakash:** Dale, you go first.

**Mr. MacMaster:** We're competing for air time. I'm retiring soon, so I'll start.

A great question. First of all, we do not have any exposure to Evergrande, nor is there much exposure outside of China. It's quite limited in developed markets. You know, the Evergrande situation was not unexpected as the Chinese government has been concerned about the amount of debt in the real estate sector, and that's what Evergrande's business is.

**11:10**

The weight of real estate, you know, within the GDP of China is roughly 10 per cent, which is similar to, higher actually, than what the U.S. was before 2007. They've been trying to deflate the real estate bubble there by putting capital restrictions and other rules in place to try and deflate this slowly – right? – so Evergrande is tipping.

A couple of things we need to keep in mind are that China's balance sheet is such that they accommodate this type of situation. Unlike many of the developed markets, its assets are far greater than its liabilities, so roughly 18 trillion U.S. dollars denominated, let's say, to make it simple, in assets versus, say, \$10 trillion in liability last time I looked. It has the ability to withstand these types of things, and they're already taking steps to ring fence the situation; for example, by asking state and provincial entities to prop up and lend money to Evergrande to ease its burden.

The biggest implication for Evergrande is probably some contagion risk within China. We see that in high-yield bonds, for instance, for other Chinese real estate companies, but for us at AIMCo the bigger implication is probably the potential for slowdown in GDP growth in China. Estimates are that the Evergrande situation and the deflating of the real estate bubble in China more broadly could result in a 1 to 2 per cent decline in GDP growth for China, thus lowering global growth. That's probably the biggest implication for us and, quite frankly, may not be a bad thing at the end of the day. With developed markets growing at 5 or 6 per cent and inflation picking up, we should expect some exported deflation from China that actually might help in the medium term. We're watching the situation very carefully because there's always risk of a policy error on the part of the Chinese officials in this situation. So we're watching it carefully.

In terms of our exposure to China, generally very small. Very small. Across the entire organization: about \$600 million. The large part of our exposure is in the equity portfolio, and we actually earned over \$100 million in that investment because we were short listed Chinese equities versus being long on single name stocks that did quite well. So we ended up making \$100 million through this period through our exposures, and we had very small exposures through infrastructure and, actually, Canadian-denominated bonds, investment grade rated, from a senior Chinese bank. We're very comfortable with our exposure there – it's done well for us – and we're actually adding a little bit of beta risk or market risk to the portfolio seeing as things have come off so well. Long term, people will continue to invest in China. The demographics are terrific, it's a large country, and it will overcome this.

**Mr. Prakash:** I'll just add one quick comment to Dale's, that this again reinforces the huge importance of looking at it long term,

keeping it a diversified portfolio, and that this is just an example that has served the fund well.

Thank you.

**Ms Gray:** Thank you, both. For me, it reinforces just how complex and how broad the markets are as well as the importance of having the view that you do of everything that's happening. I keep seeing so many different theories on the news: where the market is going, what's happening. I'm always watching with a view towards risk management. My supplemental is really fairly broad, but at this point in time when it comes to the Alberta heritage savings trust fund portfolio, what are you concerned about or thinking about when it comes to risk management? What do you see as some of the bigger items to keep on your awareness right now?

**Mr. MacMaster:** I think there are three that come to mind. I think the Chinese situation is one which bears watching and, again, primarily from its impact on global growth. I think the inflation picture is one that's gathering a lot of attention, and the question is whether it's transitory or not. We believe it is likely transitory, but that theory is being tested, you know, due primarily to supply chain disruptions, which could be extended, and labour shortages, which are contributing to higher inflation.

Then the third one probably is the stickiness of COVID. We're in the fourth wave here in Alberta. While developed markets have seen pretty high vaccination rates, the emerging markets have not, so the emerging markets will probably lag here for a few reasons. That's one of them. The strong U.S. dollar is another one.

Those are probably the top three. If I had to add one more – now, there are obviously some risks that are ongoing. Cybersecurity is one. We continue to monitor that. If I had to add a fourth, it is this notion of: how do we exit the current situation, where central banks have pumped enormous amounts of stimulus into economies through lower rates and bond-buying programs, which have had rates collapse? There's still \$13 trillion in bonds around the world trading at negative interest rates.

How do we emerge from that with the asset bubble we've seen in housing? Like, housing has gone crazy in Canada, but there are several other countries where this has occurred, too, because if you lower rates, you inflate assets, right? Houses, stocks, bonds: the value of any hard assets has been lifted by these lower rates. So the question is: how do we extricate ourselves from this? How do we normalize rates without things tipping over? It seems to me that with the housing situation in Canada today, if we saw a 50 or 100 basis point increase in rates, given how close some folks are to the edge on their margin, you know, it could tip us into recession. Those are the top risks I see.

As a result, for the portfolio we've taken a number of steps. We've had a terrific year, and we've derisked in several areas. We're being very cautious on interest rates that have a short-duration bias there, so should rates rise, we'll do okay. Credit is very tight, right? Credit spreads are very tight. There's a lot of enthusiasm for investment credit, and we're very cautious there. We have a bit of our credit exposure parked in the short end, so it can roll off and mature very quickly.

In public equities we've had a terrific run. We've reduced active risk there as well and reduced beta – that is, market – exposure in that portfolio, and we're being very selective on our illiquid investments as well. We're using approximately 65 per cent of our risk budget. You know, we can go up to 100. We're at 65, so that gives you a sense of how much risk we're using. The idea there is that should we get a sell-off or some dislocations in the markets, we have ample liquidity and we have ample risk budget to take advantage to invest for the long term.

**The Deputy Chair:** Thank you very much.

Our next question comes from MLA Frey.

**Mrs. Frey:** Good morning, everyone. I just wanted to introduce myself. I'm Michaela Frey; I used to be Glasgo. I used to be on this committee in a permanent capacity, but now I'm subbing in for Minister Issik until, I think, things get switched around with her being a minister. I want to say that I'm always very excited to be invited back to this committee because I think it's a really good opportunity to learn about where we're at in Alberta, and it also gives Albertans a really good idea of what we're looking forward to in the future as far as economic growth and the potential of our wonderful province.

MLA Gray touched on a couple of things in her question, and I actually wanted to expand on some of that. I was wondering. I think a lot of people are seeing, you know, markets open around the world. We're seeing borders become more relaxed. We're seeing some things starting to go slowly more back to normal. I know we say that very cautiously because we never know what could happen. I think that with that comes a volatility in currency as well. I was just curious to see: how are we doing? Are we overly exposed in foreign currency? Are we invested in that at all? How would things look if, say, the American dollar was to surge or the Canadian dollar was to do poorly?

**Mr. MacMaster:** Sure. I'll start on that one, and if my colleagues would like to weigh in, they may. Currency is, I think, very well managed in this capacity. If you look across the heritage fund asset mix, currency is largely hedged except for, you know, in public equities. If you look at the public equities exposure, it, for the most part, is Canadian, U.S., and then global is largely developed markets, right?

*11:20*

This actually acts as a very nice diversifier for the heritage fund because typically what we see in, let's say, a dislocation or a market sell-off is that, you know, stocks go down, credit spreads wide, and gold goes up. Guess what happens to currencies? The U.S. dollar goes up, the Canadian dollar goes down, and the euro goes up. You benefit from your exposures in these foreign currencies. It's a diversifier. It's a great thing to have in your portfolio. Personally, as overseer of the funds, I am not concerned about the currency exposures we have. They are a good addition to the portfolio and well managed, and the exposure to emerging market currencies is very, very light.

**Mr. Prakash:** Sorry. One quick comment. Also, if you look at the heritage fund portfolio and look at the risk and where the risk comes from, the risk introduced by currencies is relatively small relative to equities and the more growth-seeking assets. It's actually a good situation in that in the overall portfolio now the contribution to risk is relatively muted whereas it does help, as Dale mentioned, when things become more volatile, when typically the U.S. dollar tends to do well.

Thank you.

**Mrs. Frey:** Do I have a follow-up, Mr. Chair?

**The Deputy Chair:** Yeah. You bet.

**Mrs. Frey:** Thank you. I guess I just want to track back to real estate a little bit as well because I think that's something top of mind for constituents, especially when we hear of things like a housing bubble, investment moving across borders, things like that. Do you have any concerns about the impact of commercial property

valuations in the short and medium term given high vacancy rates in places like Calgary? I mean, we see those vacancy rates coming down thanks to some investments in the tech sector and seeing more companies moving from work-from-home orders back into offices as we see the situation normalize a little bit. How do you think our portfolio in the heritage fund is looking when it comes to the impact of commercial property valuations?

**Mr. MacMaster:** You know, as I said earlier, I think it's really well positioned at this point. You're quite right on, you know, the Calgary office, for instance, office in general, retail, but I would say that valuation experts were so sharp in marking these things down last year that we honestly think they've bottomed out. If you look at office, for instance – take a market like Toronto. It has a very robust economy, a large financial sector exposure. Prior to COVID, office vacancy rates were probably 1 or 2 per cent. They've moved up to 5 or 6. There have been some valuation adjustments.

Once we get through this pandemic and growth, you know, finds itself on a steadier plane, the drivers of office real estate will come back to the fore, and I think we'll be in a much better place. We think they've thrown the baby out with the bathwater when it comes to marking these assets. Could there be some more in Calgary office? Maybe, but these are down 30, 40 per cent in their valuations. We have seen distressed buyers step into the market to assume empty buildings because they have 20-year leases with solid credit counterparties, and they're just looking to pick up the yield. This is sort of an indication of a market bottom, we think.

Certainly, on a logistics front it really is gangbusters. You know, the e-commerce explosion has really driven the need for warehousing and last-mile distribution centres. We've been there for years. It's a large overweight in the portfolio, and it continues to do very well.

Then there are, again, the life sciences, the health sciences, you know, idiosyncratic real estate we're involved in that see tremendous growth, getting a boost, obviously, from the pandemic and the need for vaccines and so on. Research: we're all over that. Even sound stage and visual sound stage studios and the need to meet content demands from streamers: we're active there, very high growth rates expected. We think the portfolio is actually very well positioned.

Multifamily will continue to do well, in part because of the housing stock. We've seen, unfortunately, housing prices skyrocket in Canada, in part because of low rates, in part because of the pandemic. People don't need to live in a condo, so they buy a house in the suburbs and work from there, that whole routine. Well, that's driven housing prices higher. And guess what? When housing prices go up, there is a lag to rents, but rents ultimately go up. Therefore, the need for multifamily is there, and the valuations of those assets are going up as well. We're constructing those, we own those, and the future is very solid for those. As you all know, real estate is local. We don't have very much exposure on the east coast. We're in the major cities, where we see the most potential for growth.

**Mr. Siddall:** Let me just add briefly if I may – and I'll restrain myself on housing other than to endorse what Dale said entirely – that, you know, it's in markets like this, where something is oversold, where an investor with conviction and the ability to sustain it can make a lot of money. When people say that something is bad, that's often an opportunity to look at it, as Dale said.

Secondly, the quality of our portfolio – I just want to reinforce this. Malls like Mississauga Square One, Yorkdale in Toronto, Scarborough Town Centre: these are fortress malls. You know, it's peripheral malls that will probably suffer in the commercial real estate sector. These are truly fortress malls that still have value to

be added. The quality of our portfolio in commercial real estate is actually quite excellent compared to others.

**Mrs. Frey:** Thank you very much.

I just wanted to say that I really appreciate this refreshed approach from you, Mr. Siddall. The former CEO, Mr. Uebelein, was fantastic, and, you know, he answered a lot of our questions. He was always here to answer questions and be here. But I just have to say that I really do appreciate your people-first perspective as well as your willingness to answer questions today.

Thank you so much.

**Mr. Siddall:** You're very welcome. I do follow Kevin in that, who remains an adviser to me and a friend, and I'm happy to carry the load.

**The Deputy Chair:** Thank you very much.

We've got two more questioners, MLA Eggen and MLA Phillips. We'll try to wrap it up after those ones. MLA Eggen, go ahead.

**Mr. Eggen:** Thanks, Chair. I'll try to be brief. I would just like to ask Mr. Siddall about inflation. I'm getting two messages: one from the central bank that seems to suggest that the current inflation rate is more transitory, you know, and then the large Canadian banks seem to be suggesting that it's here for the longer haul. I'm just wondering what AIMCo's position is on inflation. What do you have in mind to ensure that you can retain growth during this time?

**Mr. Siddall:** This is a grand question. Dale will have comments on it. Amit may as well. It's one of the great preoccupations of investors right now because inflation sensitivity, of course, affects both the liabilities of our clients and the assets that we have under management. As Dale said, we believe that inflation risk right now is transitory, but much depends, everything depends on the actions of central bankers. They're sending salutary signals. To say that we have a daily watching brief would understate our attention to this matter.

Dale, you may be repeating things you've already said, but I'll invite you to add.

**Mr. MacMaster:** Yeah. I mean, it is the question of the day, right? And you're quite right in pointing out that central banks – I don't want to say complacent, but, you know, it's a very different world than the Volcker years, when the single purpose was the control of inflation. Of course, the U.S. has a dual mandate now; it's employment and growth and inflation. So they appear to some folks as being a little complacent on this and not as reactive as they might have been in the '80s, let's say. We're seeing, of course, headlines with certain major bank executives calling them out on that.

Here are a couple of things that are driving it, right? One is labour. You know, the unemployment rates in Canada and the U.S. have come down, but it seems like there is a dislocation between jobs that are trying to be filled and the labour force that's available. I think this one might be relieved with the fact that 8 million Americans are going to come off government support and be available for the workforce for jobs at the lower end, low-paying jobs, for instance, so that could be a help. We'll see.

Then the other side has been these supply chain disruptions. We've seen those in computer chips and other things like, you know, some of the commodities, for instance, like when we saw lumber skyrocket. Now we're seeing energy, right? The best cure for a high commodity price is a high commodity price. Even with energy and all the restrictions around energy in terms of restrained capital, in terms of the lack of pipe to get it to market, in terms of the labour force being unavailable, these will be overcome, I think,

by next year. OPEC will open the taps. Perhaps Iran gets an easing of restrictions, and it's able to come back. This will get cured.

**11:30**

The supply chain disruptions should be overcome in time. You saw the port of Los Angeles operating 24 hours a day to empty containers. Yes, you still need truck drivers, but, you know, we'll get through that. This is why I'm erring on the side of probably transitory, but it still is an unknown. But I think those two, labour and supply chain shortages of big drivers: that's why central banks are saying that it's transitory as well.

**Mr. Prakash:** Just another quick comment on that. The longer term impact from demographics technology boosts the short-term supply issues. Those ones are all secular, so you don't see those changing any time soon.

Thank you.

**Mr. Eggen:** Thank you. I appreciate that.

**The Deputy Chair:** MLA Phillips.

**Ms Phillips:** Thank you, Mr. Chair. I just want to follow up a little bit on what I heard in response to a couple of the ESG lines of questioning. Of course, you know, we know that AIMCo has an ESG approach, developed in and around the time of COP 21, and obviously the landscape has changed considerably since then.

In particular, something that has changed is public statements. In January 2020 Larry Fink issued his letter from BlackRock and, you know, with \$9 trillion in assets under management or whatever it was at the time – maybe \$7 trillion; now it's \$9 trillion, I think, maybe more. This is the king of public statements – right? – and it actually did move capital in really, really significant ways even through the pandemic and now, in retrospect, maybe because of the pandemic.

But here in Alberta all we've really seen in terms of public statements in the most recent period have been from the political level, from government, when we've heard ESG described as the flavour of the month, when we have heard it dismissed as a European phenomenon, and it seems to me that that kind of pugilistic, Don Cherry style attitude does not reflect how you want to put your team on the ice in 2021, and it's probably not helpful.

When can we expect a public statement from AIMCo? We have seen that it does matter from large investors, and I'm wondering about the timing on that and whether it's going to be sooner rather than later.

**Mr. Siddall:** A very fair question. I think I've made one today about divestiture and about our intention to do some more work on this, and on that I may say, Mr. Chair, that that statement, I expect, would be forthcoming in the first quarter of next year, but that depends on conversations with our board.

**The Deputy Chair:** All right. Thank you very much.

MLA Gray has a question she'd like to read in and then get a written answer from you later.

**Ms Gray:** Yes. That's exactly right. Thank you, Mr. Chair. We're short on time. For this question, one of the things that over the past year has been a bit of a challenge has been around the public transparency, the trust, and what came to pass around the VOLTS strategy. I very deliberately would just like to read this question into the record and provide the CEO an opportunity in writing to add anything he may choose to on the record and maybe table that with the committee around what happened with VOLTS, because the public got very limited access to the information, the

recommendations, and the report on what happened there. I'm not asking for a verbal response now. I wanted the CEO to have the opportunity to deliberate on this.

Certainly, as a member of this committee and talking to a lot of members of the public, I'm wondering if there's any more that can be provided to provide confidence and assurances about what happened with VOLTS and how that won't happen again.

Thank you.

**Mr. Siddall:** I'll just thank the member, through the chair, for the privilege of the opportunity to respond in writing, which we will do.

**The Deputy Chair:** Okay. Thank you very much.

Okay. Since we've finished our questions, the committee should now consider a motion to receive the first-quarter report. I think MLA Lovely has volunteered to make that motion, and I'll just read it off for you here if you want. Moved by MLA Lovely that

the Standing Committee on the Alberta Heritage Savings Trust Fund receive the 2021-22 first-quarter report on the Alberta heritage savings trust fund.

That's okay?

**Ms Lovely:** So moved.

**The Deputy Chair:** Okay. All in the room in favour – oh, sorry.

**Ms Robert:** Discussion.

**The Deputy Chair:** Oh, discussion. Sorry.

Any discussion by anybody? Online? Okay.

All those in favour in the room, say aye. All on video, if you're in favour, say aye. Any opposed anywhere? Okay.

That is passed.

That will conclude the business of the fund's first-quarter report for today. I'd like to thank our guests from AIMCo, Treasury Board and Finance, and the Auditor General. You are free to leave, but if you want to remain and listen to the rest of the meeting, feel free to do that. Thank you for your attendance today.

**Mr. Siddall:** Thank you, too.

**Mr. Prakash:** Thank you.

**The Deputy Chair:** Next on the agenda is the annual public meeting. Section (a) is the communication plan. At our last meeting, on June 25, LAO corporate communications was directed to prepare a communications plan for the annual public meeting. In accordance with the motion passed at that meeting, the chair approved the plan after it was made available for the committee to review.

Before we move to a discussion on the date and format of the meeting, do members have any questions about the communications plan? We have Ms Janet Laurie from LAO corporate communications in attendance to address your questions. If there are any questions, go ahead.

**Ms Gray:** Not a question, just a comment in that I've had a chance to read through the communications plan, and it looks excellent for this meeting, so thank you.

**The Deputy Chair:** Very good.

MLA Singh.

**Mr. Singh:** Thank you, Mr. Chair. Thank you as well to the Legislative Assembly online communications services for preparing the 2021 public meeting communications plan. On page 3 of the



communications plan the cost allocated is more in local publications advertising, which is focused in the Edmonton area, and province-wide newspaper advertising. That is \$6,500 and \$6,000, respectively. I see the explanation that it is aimed to encourage in-person attendance for the reason of closer proximity to the Edmonton Federal Building. Based on the previous public attendance, more Albertans have attended or participated via various social media platforms as compared to in person.

With the current pandemic in mind, should we still promote more in-person attendance, and how many persons are we looking to accommodate for in-person attendance for this year's public meeting?

Thank you, and I have a follow-up as well.

**The Deputy Chair:** We'll be getting to that part about the galleries being closed later, but if you have an answer of any kind, Janet, go ahead.

**Ms Laurie:** Yes. Thank you. I'm happy to respond. I appreciate the feedback. It is something that's sort of in transition. We had previously, many years ago, focused almost exclusively on in-person attendance, and we've all seen over the last few years, especially last year, given our inability to really have a robust in-person meeting, that we've sort of transitioned more towards social media and have been getting a lot more engagement from the public via those platforms. I think it's a really valid point, and depending on the decisions of the committee for the meeting this year, we will certainly need to go back to the plan, and we'll probably need to make some adjustments because if in-person attendance is not possible, then obviously we won't be focusing on that, and it doesn't make sense to target those areas for exactly that reason.

**Mr. Singh:** Thank you for answering.

I have one more question here. In the 2019 public meeting communications summary the four-year comparison of public meeting audience showed that there were about 1,000 television viewers in 2016 while there was no report as to the number of television viewers in 2017-2019, in my understanding. Was the Legislative Assembly Office able to track the number of viewers of the public meeting last year, and are you able to track the number of television viewers for this next coming public meeting?

Thank you.

**Ms Laurie:** Yes. Thank you so much again.

**The Deputy Chair:** Yeah. Okay. Go ahead. Sorry.

**Ms Laurie:** Sorry. May I proceed?

**The Deputy Chair:** Go ahead. I'm sorry. I was a little slow on the trigger there.

**11:40**

**Ms Laurie:** I was, too. Apologies. Yes. I appreciate, again, that question. What you're seeing when we do the analysis and provide those updates following the meeting: we're sort of setting that comparison table so we can see where we got our viewers, where we got that level of engagement from because it helps us to plan and strategize for future years. I think you're pulling up the summary from the 2020 meeting, but please correct me if I'm mistaken. There are several areas on that chart that I shared with committee members, specifically for 2017 and 2018, that do not have any quantifiable variables. That's because we were unable to track viewers through Shaw in 2017, and then in 2018 we were unable to track Alberta Assembly TV statistics. It's just something that we didn't have the capability to do at that point.

Now, as you see, that's why I like to include that comparison, so that we can sort of see where the trends are and in what directions we're growing. As I said, it helps us plan for future public meetings.

**Mr. Singh:** Thank you for answering, and thank you, Mr. Chair.

**The Deputy Chair:** Okay. Thank you.

Are there any more questions from anybody? Mr. Eggen.

**Mr. Eggen:** Thank you, Mr. Chair. My question and comment are also in regard to the newspaper advertisements. I just think that we should be encouraging people to participate online anyway, regardless of what the current situation is here with COVID and restrictions around in-person attendance. You know, I think we have an opportunity here to save some money by not advertising in the paper newspapers. I think that we could maybe redirect more of that advertising money to online ads.

**The Deputy Chair:** Go ahead, if you've got an answer to that.

**Ms Laurie:** Sure. I very much appreciate the feedback, and I think that it's a valid point when you start looking at our year-over-year stats and how people are participating. It's clear that the trend is moving towards online participation, be that via e-mail or social media platforms. It's very easy for Albertans to engage with the committee during this meeting and with no requirement for them to leave their own homes and to be on-site for the actual meetings. I definitely think that those are factors that we are looking at, and every year we sort of change up our strategy and our mix a little bit, and I take that under advisement. I appreciate the feedback.

**The Deputy Chair:** Okay. Thank you.

Any more questions?

**Ms Lovely:** Can I just make a comment, please?

**The Deputy Chair:** Okay. Go ahead.

**Ms Lovely:** I have double the number of the provincial average of seniors here in my community, and they are not online. They're not on Instagram. They're not on Facebook. They read the newspaper, a more traditional form of media, and I think that we'd just be leaving out that entire segment of our population. They need to be included in this information. I think, you know, we can move towards more of an online format in the future, but for now I feel it's very important that we continue to have that component.

**Ms Laurie:** Yeah. Your observations are duly noted. When we're seeking to engage with as broad a target audience as Albertans, we need to factor in demographics, age, location, access to Internet. That's why we will include those pieces. Some of the more traditional advertising pieces certainly come with a larger price tag, but I feel like your comments, Member Lovely, are very, very well suited, especially to this committee and the people that we're reaching and hoping to engage with.

That's also the reason, or part of the reason, why last year we also added a telephone component. Looking at broadband access throughout the province, that was a piece where we felt like we would be able to engage with different members of our audience, and it would make it easier for them to actively participate in the meeting. That's why that's included again in our plan for this year. I think that makes it easier to make sure that we are making the meeting accessible for as many Albertans as possible.

**The Deputy Chair:** MLA Frey, did you have a comment?

**Mrs. Frey:** Yeah. Just really quickly I want to just follow up on MLA Lovely's comments. I think that also in rural Alberta we have distinct challenges with broadband and connectivity. I know that especially in more isolated areas of the province – I'm thinking of the rural north as well as parts of the rural south – having that calling option is essential, whether two or five or 30 Albertans use it. I think it's important that we have that option until we can come up with a better plan. At this point I do think your guys' communications strategy is sound. I would just hate to not be meeting people where they're at on such an important issue as the heritage savings trust fund. As much as I would love to be able to narrow the budget, I think that we can't take it out, especially those small rural weeklies and stuff that really get people engaged and have that ability to connect.

Thank you.

**The Deputy Chair:** Okay. That's just a comment I think, so that's good.

If there are no more questions, I'd like to thank you, Ms Laurie, for joining us today.

Date and format. At our last meeting the committee passed a motion for the date and format for the public meeting to be determined at today's meeting. The committee may wish to consider holding this year's meeting on November 18 or 25 from 7 p.m. to 9 p.m. This would continue the long-standing practice of holding annual public meetings during evening hours and would provide ample time for LAO corporate communications to advertise the meeting.

We should also discuss the appropriate format, which we kind of just did. I would remind committee members that due to the closure of the committee room there won't be any public, in-person type meetings. Given these circumstances I recommend the committee

consider remote participation and a moderated teleconference system as well, kind of what we talked about.

With these points in mind, I'll open the floor to discussion about the date and format of the meeting. MLA Lovely.

**Ms Lovely:** Thank you, Mr. Chair. I would like to propose that we have the public meeting on November 25. That's my motion. Just an explanation: I just find that the extra bit of time will give the LAO more time to get organized, advertise, and just maximize their chance to get more people involved, which is really what I think we want, as many Albertans as possible to be able to hear what's happening. That's my motion.

Thank you, Chair.

**The Deputy Chair:** Should I read it as a motion and open for discussion? Okay. Moved by MLA Lovely that

the Standing Committee on the Alberta Heritage Savings Trust Fund hold the annual public meeting virtually on Thursday, November 25, 2021, from 7 p.m. to 9 p.m.

Any discussion on that? Online, any discussion? Okay.

In that case, all in favour in the room? All in favour online? Anybody opposed anywhere? Okay.

That is carried.

Other business. Are there any other issues of discussion before we wrap up today's meeting? Okay. Hearing none, the committee's next meeting will be the annual public meeting on Thursday, November 25.

Now I open up for a motion to adjourn. MLA Frey. All in favour? Online? Anybody opposed anywhere? Thank you. We are adjourned.

Thank you very much, everybody.

[The committee adjourned at 11:49 a.m.]



