



Alberta Teachers'
Retirement Fund



Hands Firmly on the Wheel

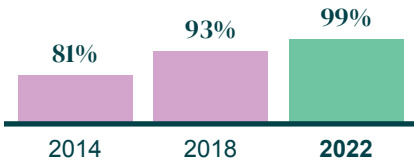
MEMBER REPORT

2021-22 Highlights

Plan Funding Status

We are pleased to report that as a result of ATRF's sound, long-term strategy and prudent management, the Teachers' Pension Plan is 99% funded this year and the Private School Teachers' Pension Plan is 108% funded.

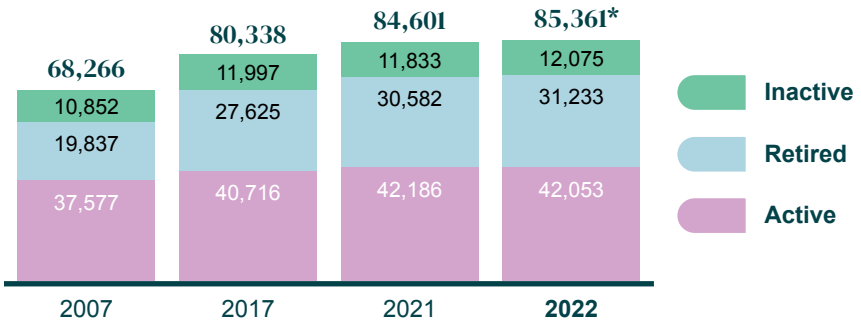
Teachers' Pension Plan



Private School Teachers' Pension Plan

	2014	2018	2022
Funded Ratio	89%	103%	108%

Membership Over the Years



* Of these, 913 are in the Private School Teachers' Pension Plan

INTERESTING FACTS

Total contributions paid: **\$799 Million**

Total benefits paid: **\$769 Million**

Average annual pension in payment: **\$35,642**

31,000

Over **31,000** retired teachers receive a pension from ATRF each month.

Contribution Rates

The ATRF Board remains committed to ensuring the plans will be able to continue to meet funding objectives of benefit security, intergenerational equity, and contribution rate stability and affordability.

In that regard, the board carefully reviews a number of factors when determining the plans' contribution rates. In light of the current volatile financial markets and significantly higher inflation environment, the ATRF Board concluded the prudent measure was to increase the margin slightly for adverse deviation to reinforce the plans' long-term sustainability. This means that the fund has more cushion to dip into during unfavourable or volatile markets.

As a result, after four rate reductions since 2016, contribution rates this year will remain unchanged at their current levels for both plans, effective September 1, 2023.

Teachers' Pension Plan Contribution Rates

% of pensionable salary

	Current Rates
Total Teachers' Contribution	10.32
Total Government Contribution	9.89

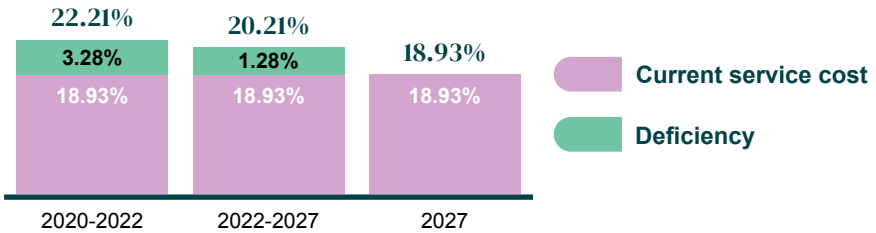
Private School Teachers' Pension Plan Contribution Rates

% of pensionable salary

	Current Rates
Total Teachers' Contribution	9.95
Total Employer Contribution	9.51

Teachers' Pension Plan Contribution Rates

Effective September 1



\$90 Million

Average of \$90 million paid out each month in pensions.

40 Years

The oldest plan member is **104 years old**, and has been receiving a pension for **over 40 years**.

51

51 members are centenarians.

309

309 retired members are **age 95 and older**.

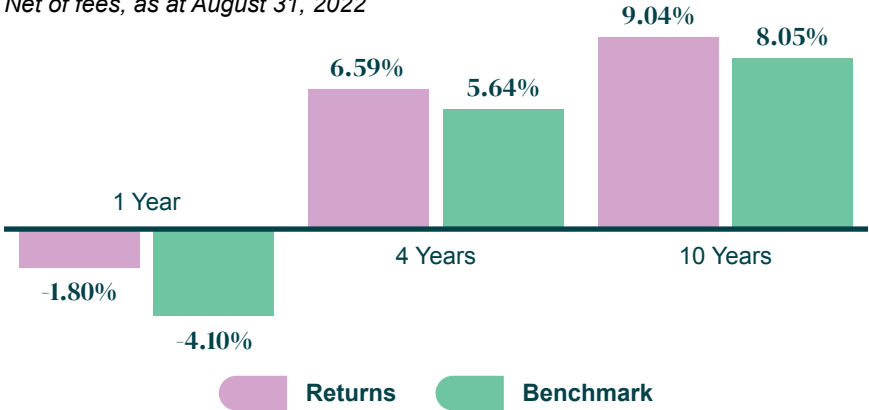
Investment Returns

Last year was a challenging one for financial markets, to say the least. A number of factors combined to create unusual and unpredictable volatility, and the markets declined significantly overall. ATRF's investments are not immune to market forces, however, over the year our portfolio outperformed its benchmark

by a large margin. More importantly, long-term performance remains excellent despite this difficult year. A benchmark is intended to provide a sense of risk and return of a portfolio if it were constructed with widely available and inexpensive investment instruments such as stock and bond market indices.

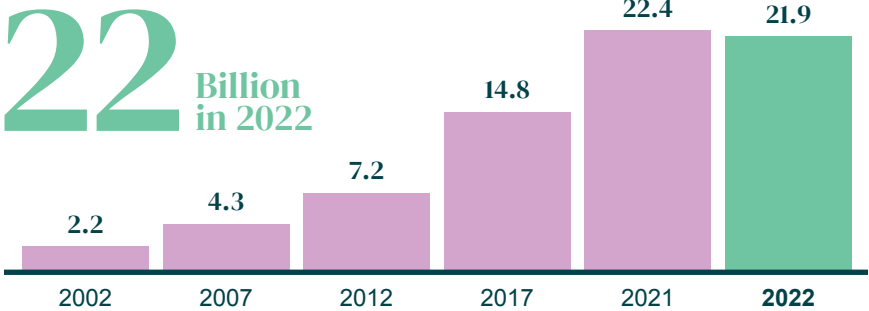
Rates of Return

Net of fees, as at August 31, 2022



Net Assets

\$ Billions



The market value of the pension plans' assets is now \$21.9 billion, making ATRF the 18th largest pension plan in Canada by asset size (19th last year), and the 8th fastest growing fund.

Board Chair Message



SANDRA
JOHNSTON



Last year, ATRF turned the corner on some major challenges. The legislated transition of investment management to AIMCo is complete and in our rear-view mirror, and like everyone else, we're hoping we have passed the worst of the COVID-19 pandemic. I am very proud to report how our organization successfully navigated through these and other obstacles and mapped out a course that ensures teachers' pensions continue to be effectively managed and properly safeguarded.

The complex work of complying with the legislated change in investment management was completed last year. I am proud that strong governance and an experienced, expert team at ATRF enabled the transition to progress smoothly, while maintaining our funds' value and keeping associated costs as low as possible.

Moving forward, ATRF will continue to develop a comprehensive investment policy and strategy that will drive the long-term success of the plans. This development is an absolutely essential function because as a pension manager, ATRF takes a long-term, risk-aware approach to investing that is specifically suited to meet the needs of our plans and the plans' beneficiaries. Through our funding policy and the direction we provide

to AIMCo, ATRF manages the risk factors inherent in our investment portfolio, which is central to achieving the long-term results needed to fund pensions.

As a board, we have done a great deal of work in the past few years to ensure our organization's strategic direction is effective and refined to reflect our new investment management structure, which continued last year.

Ensuring benefit security is our primary objective when monitoring the plans funding and determining contribution rates. I am very pleased to announce the board is able to maintain contribution rates at current levels for both plans, especially following a year of market volatility and subsequently lower investment returns. The plans are in good financial health and on solid footing with adequate risk management levers. In closing, I would like to thank my colleagues on the ATRF Board, the leadership team at ATRF, and our staff, who work so hard on behalf of our members. I would also like to express my sincere appreciation for the support our members continue to show for the work our organization does. We continue to be grateful for the opportunity to serve our members and sponsors.

CEO Message



ROD
MATHESON



I am very proud to highlight how the remarkable team at ATRF has expertly managed your pension plans and provided high-value services to our members and employers in 2021-22.

I am particularly proud of the way our service benchmarks demonstrated how the ATRF team goes above and beyond for our members and how we exceeded targets in this area. This comes as a direct result of the dedication and expertise of our staff.

Last year, we continued working to provide even more flexibility in the way we serve members so that we can help them where, when, and how it works best for them. Last year also resulted in continued improvements to our online offerings, including the introduction of new webinars and changes to our *MyPension* member portal.

In other parts of our organization, I am particularly pleased to be able to reassure members and sponsors about the continued stability of our pension plans—despite last year's extraordinary economic conditions. The long-term approach ATRF has always taken to pension management means that in times of market volatility, like those experienced last year, we are well-positioned to weather the storm.

That approach is also evident in our investment results last year, where despite extraordinarily challenging market conditions, our overall portfolio return was -1.80%, which exceeded the performance benchmark by 2.25%. Over a 10-year horizon, ATRF has delivered a total return of over 9% per annum and excess return over its benchmark of 1% per annum.

So, to all our members, I want to thank you again for your support last year and reassure you that we indeed do have our hands firmly on the wheel, and are ready, willing, and able to continue serving you for many years to come.

To the ATRF Board I would like to say thank you for your support and guidance as we worked to position ATRF for continued success in the years ahead.

And to our ATRF staff, on behalf of our entire Executive Leadership Team, I would like to thank you for a job well done. We know how hard you all work to serve our members and support our plans. We know how much that means to Alberta teachers and our other stakeholders, and we genuinely appreciate your efforts.

Board Members



SANDRA
JOHNSTON,
CHAIR



GREG
FRANCIS



PAUL
HAGGIS



MARIA
HOLOWINSKY



BRAD
LANGDALE



ALEXANDRIA
MATOS



RAFI
TAHMAZIAN



TIM WILES

Executive Leadership Team



ROD MATHESON
Chief Executive Officer

TINA ANTONY
Vice President, General Counsel
and Corporate Secretary

MARCIE CHISHOLM
Vice President, People & Culture

ALWYN CHRISTIAN
Vice President, Information &
Technology Services (Acting)

JULIE JOYAL
Vice President,
Pension Services

MYLES NORTON
Vice President, Finance

GARY SMITH
Vice President, Fund Risk & Strategy

Member Services

MyPension Secure Online Portal

59%

More than 59% of plan members are registered for MyPension. This number has increased year over year, with only 37% of members registered in 2011.

1,412 secure messages and documents were sent to plan members from MyPension.

1,412

87,875

87,875 pension estimates, 6,679 termination benefit estimates, and 3,789 purchase estimates were completed using MyPension.

64% of new retired members applied for their pension online through MyPension.

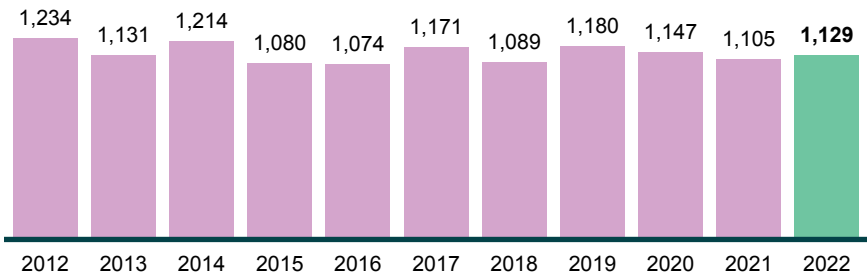
64%

85%

85% of members who booked appointments with pension counsellors did so online through MyAppointment, and 47% of members chose to meet their counsellor virtually.


Number of New Retired Members

Year ending August 31



Member Communication and Digital Tools

Social Media **269 social media posts** during the year on three different platforms. **269**



Digital Newsletter **73,085** ATRF digital newsletters were opened **over 73,000** times last year.

Website **389,063 page views** on the website. **389,063**

Proactive Communication **750** **750 purchase packages** prepared proactively for members that returned from a leave.

Presentations and Webinars

9 pension presentations at the virtual Teachers' Conventions, with a total of 1,589 attendees. **1,589**

871 **36 presentations and webinars** with a total of 871 attendees.

Average Age and Pensionable Service

	2000	2005	2010	2015	2020	2021	2022
Retired member average age	68	68	68	67.8	72.1	72.5	72.8
New retired member average age	57.8	58	59	60	60.0	59.7	60.0
Average pensionable service of new retired members	26.6	26.4	26.2	25.6	25.5	25.3	25.1
Active and disabled member average age	42.7	42.4	41.7	41.8	42.3	42.3	42.4
Active and disabled member average years of pensionable service	12.0	12.2	11.1	10.3	11.7	11.7	11.2

Project Lantern

Besides the asset management transfer, for the past few years, ATRF has been focused on assessing and improving our processes for the modernization of the technology we use to serve our members and employers. This multi-year initiative

called Project Lantern includes four major technology projects that we are starting to implement in the upcoming year. Please refer to www.atrf.com/23MR-Lantern for more information.

Plan Funding

The ATRF Board has established a funding policy focused on sustainability for both the Teachers' Pension Plan and the Private School Teachers' Pension Plan to ensure the plans will be able to pay the pensions earned by members and their beneficiaries, today and over the long term.

Actuarial valuation results as at August 31, 2022:

Teachers' Pension Plan Post-1992 Period \$ Millions

Funding Value of Assets	22,203
Funding Liabilities	22,418
Active and disabled members	10,190
Inactive members	856
Retired members and beneficiaries	11,372
Funding Deficiency	215
Funded Ratio	99%

ATRF Funding Objectives:

1. Security of member benefits and affordability of contributions,
2. Keeping contribution rates stable, and
3. Inter-generational equity.

Private School Teachers' Pension Plan \$ Millions

Funding Value of Assets	116.5
Funding Liabilities	108.2
Active and disabled members	51.4
Inactive members	12.6
Retired members and beneficiaries	44.2
Funding Surplus	8.3
Funded Ratio	108%

Refer to the full annual report (www.atrf.com/23MR-Report) for more information about the plan funding and contributions rates.

COLA

The Alberta teachers' pension plans have a provision to provide retired members with partial indexation or cost-of-living adjustments (COLA) on their pension to help with the impact of inflation. This means that unlike some other pension plans, pensions for retired Alberta teachers are increased each year with COLA.

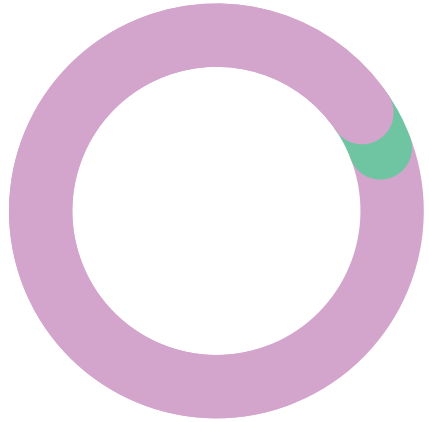
The COLA rates applicable for January 1, 2023, reflect the average

increase in inflation in Alberta for the period November 2021-October 2022 compared to November 2020-October 2021 as per the plan. The resulting inflation rate is 6.20%, providing a January 1, 2023 COLA increase of 3.72% for pensionable service before January 1, 1993 and 4.34% for pensionable service after December 31, 1992. The last time COLA rates were this high was in 2004.

Costs

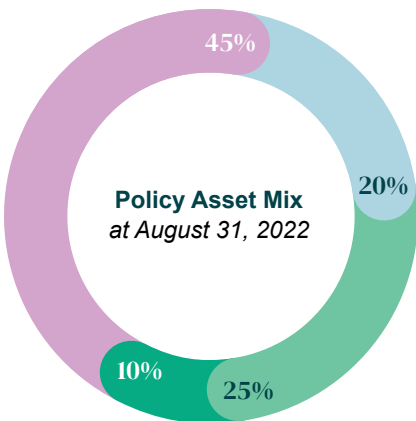
Total 2022 Expenses:
\$244.11 Million

- \$9.38 Million** Member Service Expenses
- \$234.73 Million** Investment Expenses



Investment Returns

Asset Class	1 Year (%)		4 Years (%)		10 Years (%)	
	ATRF	Benchmark	ATRF	Benchmark	ATRF	Benchmark
Fixed Income	-13.5%	-13.7%	-0.1%	-0.3%	1.7%	1.7%
Return Enhancing	-4.3%	-10.8%	8.4%	7.0%	12.3%	11.4%
Inflation Sensitive	13.5%	18.6%	10.8%	8.9%	11.2%	7.3%
Absolute Return	3.9%	3.2%	4.4%	4.2%	-	-
TOTAL PLAN	-1.8%	-4.1%	6.6%	5.6%	9.0%	8.1%



- 45%** **Return Enhancing**
 - 35% – Global Equity
 - 10% – Private Equity
- 20%** **Fixed Income**
 - 9% – Universe Bonds
 - 9% – Long-term Bonds
 - 2% – Short-term Bonds
- 25%** **Inflation Sensitive**
 - 15% – Real Estate
 - 10% – Infrastructure
- 10%** **Absolute Return**



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Want to Read More?

Visit www.atrf.com/23MR-Report to read the full 2022 Annual Report.



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Retirement Fund

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