

Rooted in **Trust,**
Evolving with
Purpose.



Alberta Teachers'
Retirement Fund

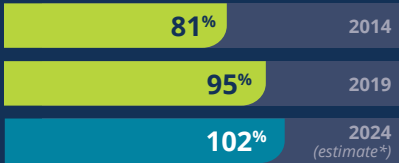
2024
MEMBER REPORT

Highlights 2023-24

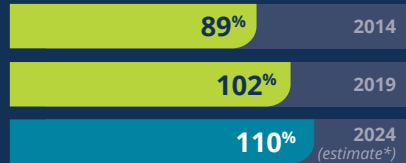
Plan Funded Status

We are pleased to report that both plans continue to be fully funded for the second year in a row.

Teachers' Pension Plan (TPP) Funded Ratio



Private School Teachers' Pension Plan (PSTPP) Funded Ratio

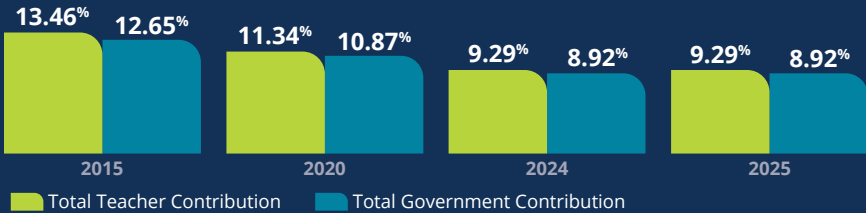


* See Plan Funding section for details of 2024 values

Contribution Rates (% of pensionable salary)

Contribution rates will remain unchanged for the 2025-26 school year, effective September 1, 2025.

Teachers' Pension Plan (TPP)

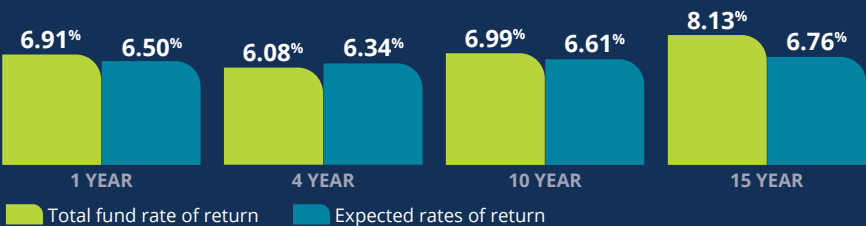


Cost-of-Living Adjustments (COLA)

Effective January 1, 2025, pensions will increase by 1.74% for pre-1993 pensionable service and by 2.03% for post-1992 pensionable service.

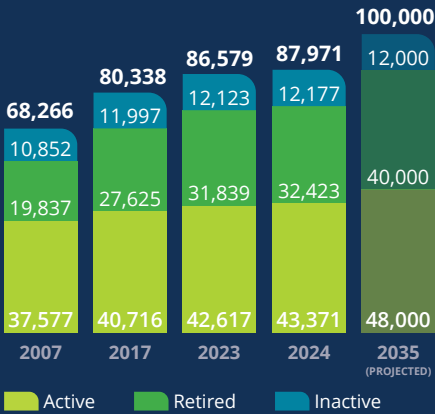
#16 on Benefits Canada's annual **Top 100 Pension Funds Report** ranking Canadian pension funds by size of assets—up from #17 the previous year.

Rates of Return and Long-Term Funding Objectives

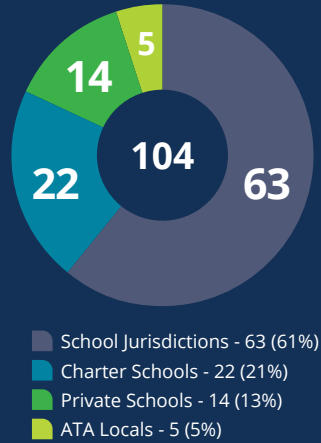


Expected rates of return refers to the long-term expected return assumptions ATRF uses for funding purposes.

Membership Over the Years



Employers



Member Facts

There are

1,049 NEW RETIRED MEMBERS

who **started receiving pensions in 2023-24**, down slightly from 1,096 the year before



As at August 31, 2024, the oldest pensioner is

106 YEARS OLD

and has been receiving their pension for **50 years**



59.9 YEARS OLD



Average retirement age

314 RETIRED MEMBERS are **age 95 and older**

24.9 YEARS

Average pensionable service at retirement

54 RETIRED MEMBERS are **centenarians**

During 2023-24, **the vast majority of retired members (99%) received their pensions in Canada**, while pensions for the remaining 1% were distributed to **retired members living in 33 different countries**.





Sandra Johnston
Board Chair

Board Chair Message

As the chair of the ATRF Board, I am pleased to present our annual report, aptly themed “Rooted in Trust, Evolving with Purpose.” This theme encapsulates our journey, our accomplishments, and our vision for the future.

ROOTED IN TRUST

Our primary responsibility is to act in the best interest of our plans and the pension funds held in trust for our members. I am proud of how we fulfill this mandate, demonstrated by achievements like the continued fully-funded status of the plans and prudent management strategies. These achievements are a testament to our expertly designed investment strategies, diligent risk management, and the unwavering dedication of our team, ensuring the long-term stability of our members’ pension plans—today and in the future.

EVOLVING WITH PURPOSE

In addition to our financial accomplishments, we are continuously improving our approach to member services to meet teachers’ unique and evolving needs as teachers’ pension experts and a trusted partner in their journey.

In recognition of the potential impact of climate change on our plans and the world at large, I am also very proud that we developed a comprehensive Climate Change Approach in 2024. This plan outlines our commitment to integrating climate considerations into our decisions to help mitigate the potential impacts of climate change on the plans and to ensure we are properly positioned to take advantage of the opportunities climate change will present.

LONG-TERM SUSTAINABILITY

I am also pleased to confirm that ATRF contribution rates will not change for the 2025-26 school year after several rate reductions in the past decade. This stability reflects our robust financial health and commitment to providing members with expert pension plan management.

REFLECTION AND GRATITUDE

This year holds a special significance for me as it marks my final year as the Chair of the ATRF Board. It has been an honour to serve you and to work alongside a dedicated team that shares a commitment to our members' pension plans. I am filled with a sense of accomplishment and gratitude as I reflect on the past 12 years and the progress we have made. I would like to thank everyone who has continued to support ATRF during my time as Chair, and particularly my fellow board members, the amazing team at ATRF, and most importantly, our members.

I am proud to leave ATRF on a solid foundation as we continue to evolve with purpose, remaining rooted in trust, and ensuring the sustainability of our pension plans.

Sandra Johnston - ATRF Board Chair

ATRF Board



Chioma Ufodike, Paul Haggis, Tim Wiles, Greg Francis,
Alexandria Matos, Brad Langdale
Maria Holowinsky, Sandra Johnston

Get details about ATRF Board member roles and experience
at www.atrf.com/MR24-Board



Rod Matheson
Chief Executive Officer

CEO Message

As I reflect on the past year, I am proud of the strides we have made to ensure the continued success and sustainability of the teachers' pension plans.

Once again, I am pleased to report the teachers' pension plans remain fully funded, a significant achievement that underscores the strength and resilience of our investment strategy and pension management.

Being fully funded means we are well-positioned to meet our long-term obligations to current and future members and stakeholders, offering them security and peace of mind. This milestone also allows us to be forward-thinking as we continually improve, building on our strong foundation for years to come.

Investment returns are among the most important factors affecting our funded status, and last year's total-fund return of 6.91% exceeded the plans' expected long-term return assumption of 6.50%. As a pension plan, we remain focused on long-term returns – which continue to surpass the expected return assumption used in the funding valuation of the plans. This underscores the importance of ATRF's investment strategy, which emphasizes sustainable growth and resilience to ensure the plans' continued stability.

One of the most important undertakings last year was the continued progress on Project Lantern. This initiative is transforming our organizational infrastructure by modernizing our technological systems, enhancing operational efficiency, and ensuring continued system stability. With these upgrades, we are strengthening ATRF's capacity to serve our members more effectively and ensuring the long-term stability of our organization.

Our commitment to prudently managing ATRF's plans has never been stronger, and I remain confident in our path forward. Thank you to our members and sponsors for your continued trust and support, and thank you to our tireless, dedicated staff as we continue to provide expert services that serve our plans and our members so well.

Rod Matheson – ATRF CEO

ATRF Executive Leadership Team

as at August 31, 2024

Rod Matheson - Chief Executive Officer

Alwyn Christian – Vice President, Information and Technology Services

Julie Joyal - Vice President, Pension Services

Myles Norton - Vice President, Finance

Andrew Tambone - Vice President, Investments & Funding

Values

Updated in 2023-24, our new values reflect our team’s collective insights, experiences, and aspirations.

INTEGRITY

We do the right thing. We act at all times and in everything we do as responsible fiduciaries and stewards of our plans, demonstrating competence, accountability, and trust. We act honestly and in the best interests of ATRF, the plans, and our members.

PURPOSE-DRIVEN

We embrace our purpose and understand the trust members place in us. We recognize the importance of the teachers’ pension plans as a critical component of their financial well-being. Everything we do is aligned with that purpose.

COURAGE

We are not afraid to challenge the status quo and have the courage to take thoughtful actions to drive creativity, continuous improvement, excellence, and success.

INCLUSION

When we work together, we produce superior results. We care for and respect each other and our unique perspectives. We celebrate our diversity and recognize that it enables us to offer high-quality and value-added services to our members.





Dedicated to Serving our Members

ATRF's theme this year, "Rooted in Trust, Evolving with Purpose," reflects our commitment to financial security and adaptability to meet Alberta teachers' unique needs.

Trust forms the foundation of ATRF, guiding every decision as we work to ensure stable contribution rates and the fund's long-term sustainability.

Alongside trust, evolution propels us forward. We have expanded digital resources, enabling more members to access tools and services online. This effort enhances our ability to provide accessible, tailored support for members and employers.

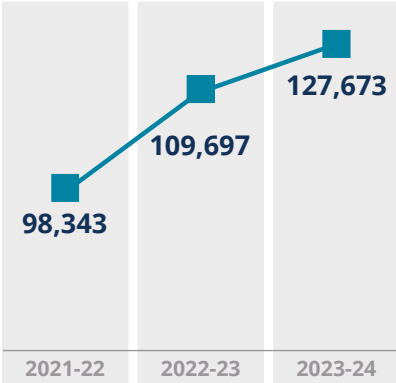
Central to our evolution is Project Lantern, ATRF's multi-year modernization initiative. This year, we made considerable progress in three key areas: developing a custom online employer portal, planning enhancements to our secure member portal, *MyPension*, and initiating the implementation of a new pension administration system. These advancements demonstrate our dedication to streamlining services and creating efficient, member-centric solutions. For more information on Project Lantern, please visit our website.

ATRF's focus on trust, expertise, and continuous improvement ensures our commitment to supporting members' peace of mind and financial security for the long term.

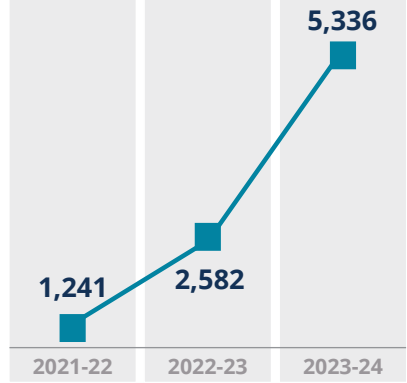
Read the full 2024 Member Service Report at www.atrf.com/MR24-MR

Growth in Online Services Continues

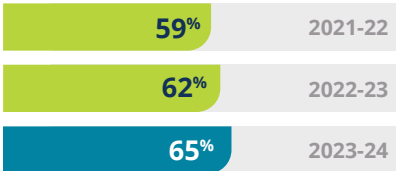
Total number of estimates in MyPension



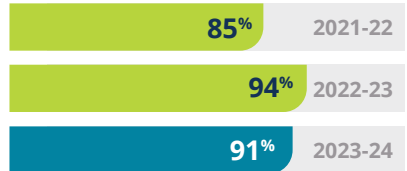
Number of secure messages sent or documents uploaded in MyPension



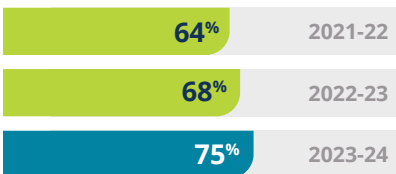
Proportion of plan members registered for MyPension



Proportion of appointments booked online



Proportion of pension applications made online



Strong Plan Funded Status

ATRF continuously monitors the plans' financial health and must file an actuarial funding valuation with the Canada Revenue Agency (CRA) at least once every three years.

ATRF works with external experts and uses state-of-the-art tools to evaluate and diligently monitor the funded positions of our plans. These estimates show the plans remain healthy and well-funded. Considering the plans are in a robust and stable financial position based on the actuarial projections, we did not file a complete actuarial valuation in 2024, however, an actuarial valuation as at August 31, 2023 was filed.

Actuarial projections and estimated funded ratios provide accurate and sufficient insight into the health of the plans for periods where an actuarial funding valuation is not required.

Teachers' Pension Plan Post-1992 Period

(\$Millions)

	Aug. 31, 2024 Estimated	Aug. 31, 2023 Valuation
Market Value of Assets	24,256	22,755
Fluctuation Reserve	544	743
Funding Value of Assets	24,800	23,498
Funding Liabilities	24,385	23,237
Funding Surplus (Deficit)	415	261
Funded Ratio	102%	101%

Private School Teachers' Pension Plan

(\$Millions)

	Aug. 31, 2024 Estimated	Aug. 31, 2023 Valuation
Market Value of Assets	133.2	122.4
Fluctuation Reserve	3.0	4.0
Funding Value of Assets	136.2	126.4
Funding Liabilities	124.4	115.7
Funding Surplus (Deficit)	11.8	10.7
Funded Ratio	110%	109%

The difference between the market value of assets and the funding value of assets is referred to as the fluctuation reserve.

Continued Long-Term Investment Strength

In the 2023-24 fiscal year, ATRF's investment portfolio achieved a 6.91% return, ending with a total fund value of \$24.4 billion as at August 31, 2024.

ATRF is a long-term investor, aiming to achieve an average return of 6.50% to meet pension obligations. That's why we are pleased the 2023-24 return exceeded this objective, even though it fell short of the annual benchmark. Public equity investments produced the strongest performance with a 19.28% return driven by gains in technology and AI-related companies. Fixed income performed well amid stable bond yields. Higher interest rates affected both private equity and real estate investments, with the real estate office sector also facing challenges from changing market dynamics.

Over the past decade, ATRF's portfolio has delivered a 6.99% annualized return, slightly above the long-term average return assumption of 6.50% used in valuing the plan. This steady performance underlines ATRF's focus on long-term sustainability to confidently meet pension obligations.

ATRF recently enhanced its investment approach by revising its strategic asset mix, (following page), effective January 1, 2024. This forward-looking strategy aims to strengthen the portfolio's alignment with ATRF's long-term goals and obligations, ensuring sustainable growth for the future.

Read the full 2024 Investment Report at www.atrf.com/MR24-IR

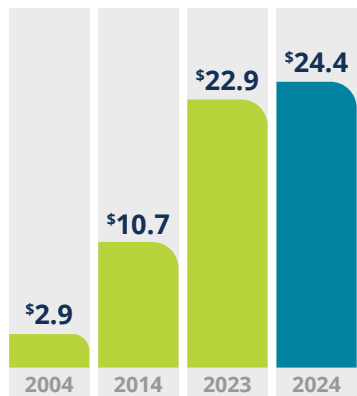
2024 Detailed Investment Returns

Net of fees, as at August 31, 2024

ASSET CLASS	1 Year (%)	4 Years (%)	10 Years (%)
Growth	12.18	11.61	9.80
Inflation Sensitive	-4.76	3.08	8.21
Interest Rate Sensitive	7.24	-2.56	1.84
Market Neutral	8.94	6.19	4.28
TOTAL PLAN	6.91	6.08	6.99

Net Assets

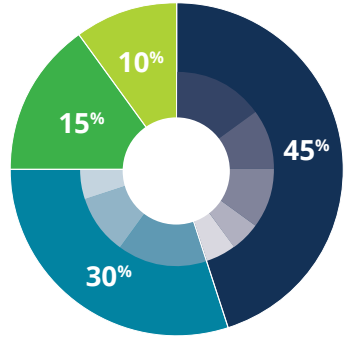
(\$Billions)



Strategic Asset Allocation

as at August 31, 2024

Growth	45%
● Developed Market Global Public Equity	15%
● Private Credit	10%
● Private Equity	10%
● Canadian Public Equity	5%
● Emerging Market Public Equity	5%
Inflation Sensitive	30%
● Infrastructure	15%
● Real Estate	10%
● Timberland/Farmland	5%
Interest Rate Sensitive	15%
● Long Term Government Bonds	15%
Market Neutral	10%
● Absolute Return	10%
TOTAL	100%



Member Service and Investment Costs

ATRF is committed to providing exceptional value and sustainable benefits to its members by effectively managing member service and internal investment costs.

Member service costs were \$179 per member in 2023-24, representing less than 2% of the plans' contributions.

ATRF incurs both internal and external investment expenses, totaling \$241.69 million or 103.52 basis points, in 2023-24. Internal costs account for just 2 basis points, while the remainder are paid to ATRF's legally mandated investment manager, Alberta Investment Management Corporation (AIMCo), as investment management and performance fees.

Get full cost breakdowns at www.atrf.com/MR24-Costs

\$1.33
BILLION
total pension
benefits paid*

Average annual pension
\$38,361

*Of which \$503 million was received from the Government of Alberta for benefits paid by ATRF relating to the pre-1992 period.

Understanding Your Pension Plan

Your teachers' pension plan is a defined benefit plan with a specific structure and some valuable features:

Lifetime Benefit

Receive a secure retirement income for your lifetime.

Benefit Amount

Benefit amount is predictable and certain (a 'defined benefit'), based on a predetermined formula tied to a member's years of service and pensionable salary, and also partially indexed to inflation.

Funding Risk

Responsibility for deficiencies is shared between all active plan members and Government of Alberta employers. And spread over a long period of time.

Member Contributions

Employees contribute an amount that is determined each year based on plan funding and other factors.

Government/Employer Contributions

Government/employers also contribute an amount based on the same factors as member contributions to ensure the plan is well funded.

Investment Expertise

Contributions from members and employers are pooled and invested by investment professionals.

COST-OF-LIVING ADJUSTMENTS (COLA) HELP LIMIT THE IMPACT OF INFLATION AND HIGHER COST-OF-LIVING.

Another unique feature of teacher pensions in Alberta is annual COLA adjustments to help members keep up with inflation. Based on rules set in legislation, COLA is set using a percentage of the average price change of goods and services in Alberta over the last year.

Effective January 1, 2025, pensions will increase by 1.74% for pre-1993 pensionable service and by 2.03% for post-1992 pensionable service.

Learn more at www.atrf.com/MR24-COLA

How Your Pension Plan is Managed

ATRF - Pension Administration and Investment Strategy

- Sole focus is to protect the best interests of the plans
- Provides member services
- Pays benefits to plan members
- Sets contribution rates
- Collects contributions from members and employers
- Ensures appropriate plan funding
- Provides funding and investment strategy, policy, and oversight

Government of Alberta and the Alberta Teachers' Association - Pension Plan Sponsors

- Establishes plan rules within which the plans must operate, including how contributions and payments must be administered
- Sets the plan benefits paid to members
- Appoints ATRF Board members (four from each sponsor)

Learn more at www.atrf.com/MR24-Management

The Value ATRF Provides Members

- Dedicated professional strategic funding, investment portfolio and risk management customized to ensure long term plan sustainability.
- Professional plan administration tailored to meet unique needs of teachers, both retired and active.
- Our service approach puts members first and uses what we've learned in serving teachers for over 85 years.
- Efficiency and cost-effectiveness of centralized plan administration and management.

Investment Strategy and Management

Investment strategy is central to the overall success of a pension plan's investment portfolio.

Research shows 90% of a fund's performance is a result of investment strategy, and 10% is a result of day-to-day investment management. ATRF designs the investment strategy based on our many years of experience and significant research to meet the specific needs of the teachers' pension plans. We base our strategy on balancing appropriate risk with the returns the plans need to remain stable and pay benefits long into the future.

As ATRF's mandated investment manager, it is the responsibility of AIMCo to implement this strategy.

Learn more at www.atrf.com/MR24-Investments

New ATRF Climate Change Approach

A custom-designed approach to strategically managing the risks and opportunities of climate change in support of long-term plan sustainability.

Climate change is a systemic risk with implications for our ability to achieve sustainability over the long term. Our fiduciary duty requires us to acknowledge and address the risks and opportunities that climate change presents. Our approach is not about divesting certain kinds of assets; rather, it entails transformative change that will help us navigate the challenges of climate change and position us to take advantage of the opportunities it presents. Read the full approach at www.atrf.com/MR-CC

Go Paperless!

You can choose to receive only digital communication from ATRF by changing your communication preferences in our secure member portal, *MyPension*.

www.atrf.com/MR-MP

Want
to read
more?



Visit www.atrf.com/M24AR to read the full 2024 Annual Report.

