



2022

ANNUAL
REPORT

Todovale Asset Managers

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A glimpse of TODOVALE

Our goal is to grow our capital over time to provide shareholders with yearly returns of at least 20%. With a history of more than 12+ years as real estate owners and operators, we have a demonstrated track record of investing capital to create market-leading companies that produce steady, increasing cash flows and alluring long-term return on investment. Asset management, insurance solutions, and our operating businesses, which produce \$5 billion in free cash flow yearly and are still expanding, are the three businesses in which our capital is currently invested. Our capital is currently spread across Asset Management, Insurance Solutions, and our Operating Businesses, which produce \$5 billion in free cash flow a year and are expanding.

Our funding is spread across companies that contribute to building the foundation of the world economy. The income streams from our businesses are typically predictable, inflation-linked, primarily contracting and rising, and have high cash margins. To generate substantial returns throughout market cycles, we take use of our worldwide footprint, the business synergies within our organization, and large-scale, flexible financing. Each of our market-leading businesses has a robust growth profile on its own, but when they work together, they create synergies that considerably accelerate growth.

We are committed to using the distributions we receive from our businesses to increase value for our shareholders as a seasoned value investor. The significant free cash flows we continue to generate will be used to fund share repurchases, new strategic possibilities, and the expansion of our businesses. Our objective is to find new investment opportunities that provide added value for Todovale and have the potential for significant long-term returns by utilizing the worldwide reach and knowledge of our asset management business.

Our scale, stability, and diversification help to create a differentiating business model, and our conservatively funded balance sheet offers downside protection. These factors place us well as a partner of choice for the global buildout of infrastructure, the transition to a sustainable energy future, and other similar projects.

We anticipate that the adaptability of our money and standing as a reliable partner will generate a sizable proprietary pipeline of prospects.

To establish resilient businesses and produce long-term value for our investors and other stakeholders, it is essential to follow sound environmental, social, and governance (ESG) standards. As a result, we include these ideas into all of our endeavors, including our investing procedure, and run our company in a moral and sustainable way. A focus on inclusion and diversity strengthens our collaborative culture. It improves our capacity to train employees and keep a motivated staff committed to acting as a reliable partner and top supplier of investment solutions.

We remain focused on allocating the distributions we receive from our businesses to enhance value for our shareholders.

THE WAY WE INVEST

- + The Todovale Advantage**
Using our global presence, reputation, business synergies, and access to ample, adaptable finance, we invest in areas where we can best utilize our competitive advantages.
- + Long-Lasting, High-Quality Businesses and Assets**
We make investments in a global and broad portfolio of high-quality properties and companies that produce steady, largely declining and rising revenue streams that are inflation-linked, as well as high cash margins.
- + Capital Allocation Expert**
As value investors, we have a proven track record of deploying money to produce significant compound returns that increase shareholder value.
- + An Organized Approach to Financing**
We employ a cautious strategy when using leverage, making sure that we can protect capital during all business cycles.
- + Sustainability**
In addition to aiming to have a beneficial influence on the environment and the communities in which we operate, we are dedicated to making sure that the businesses we invest in are positioned for long-term success.



GLOBAL REACH

~\$8B

ASSETS UNDER
MANAGEMENT



340+

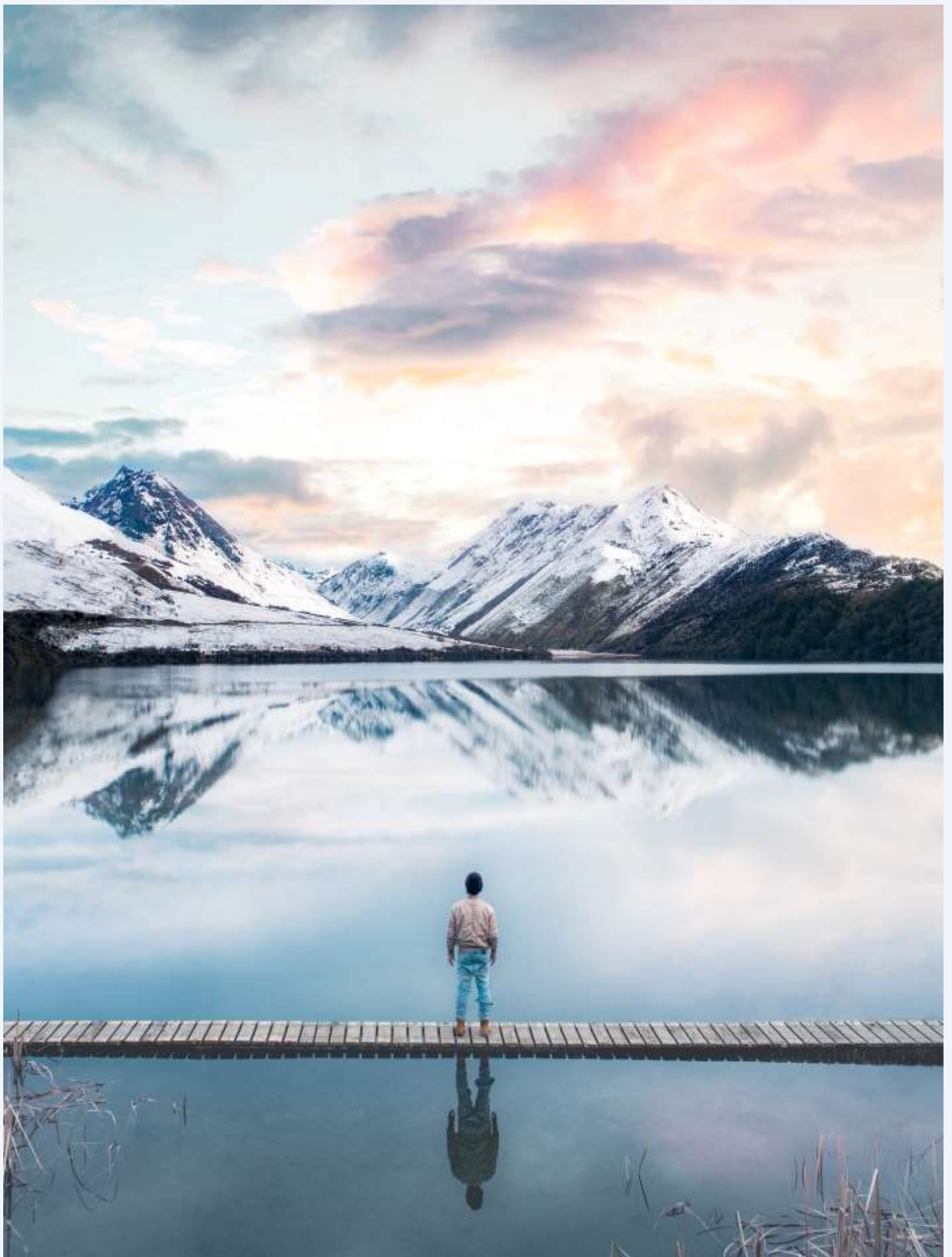
INVESTMENT & ASSET
MANAGEMENT
PROFESSIONALS

30+

COUNTRIES

~3,600

OPERATING
EMPLOYEES



Letter to SHAREHOLDERS

OVERVIEW

Todovale had a successful year in 2022 despite the difficult market conditions. We completed the distribution of 20% of our asset management business to shareholders, had a record year for fundraising, had great operating results, and had excellent performance from our insurance activities.

We are currently allocating our resources with an eye on a rebound later this year or in 2024, even though a recession is probably occurring in many parts of the world. Alternative investments have shown to be incredibly resilient during this time and are now reaping the rewards of the highest level of inflation in many years. We are well-positioned for this climate thanks to our perpetual funding arrangements, nearly \$2 billion in accessible resources for investments, worldwide corporate footprint, and focus on value investments.

Our asset management is now operating independently and following its own course, so Todovale Corporation is concentrated on allocating and using its resources in a way that will increase the value of our balance sheet. We anticipate using our cash resources to buy more shares in the market since we estimate that our net asset value per share is significantly higher than our share price. If the reduction continues, we will also take into account alternative possibilities, such as a tender offer. At the same time, we keep searching for fresh investment opportunities that will provide us with exceptional profits and help Todovale position itself for the future. The likelihood of discovering anything intriguing is favorable given the volatile markets and limited cash.

Todovale Corporation is concentrated on allocating and using its resources in a way that will increase the value of our balance sheet.

2022 HIGHLIGHTS

\$1.2B

DISTRIBUTABLE EARNINGS

~\$2B

CAPITAL AVAILABLE FOR INVESTMENT

20%

OF OUR ASSET MANAGEMENT BUSINESS
DISTRIBUTED TO SHAREHOLDERS

Performance of the Share Market

In 2022, the success of our core business was outstanding, but like everything else, the performance of the Todovale Corporation shares was horrible. In addition to the general market gloom, Todovale Corporation's shares experienced some temporary pressure due to the distribution of our asset manager's shares. The business's underlying worth is still

increasing as this has started to clear up. Long-term performance has been solid, and we believe this trend should continue.

The Business Climate

In 2022, markets were incredibly erratic. As central banks took strong action to limit inflation, most investments were downward, at least on paper. The good news is that, in most nations, the steps implemented seem to have been effective in taming demand and containing inflation. As a result, interest rates are predicted to peak soon, while inflation is assumed to have peaked in most locations and a recession is about to start.

Today's international markets have considerably better chances. Bond yields are higher, shares of stock are valued more properly, and the valuations of technology companies are more realistic. Additionally, growth companies and cryptocurrencies that had no justifiable cause to trade where they did have now returned to reality. In the midst of all of this, the majority of actual businesses and alternative assets have fared incredibly well and are predicted to do so in the future.

The entire macro climate has changed significantly in our favor at Todovale. In the upcoming years, this ought to present us with numerous opportunities. The world has generally changed:

- from an emphasis on growth to value (we are value investors).

- from a purely technological investment focus to one with a major interest in energy (this is good for us in many ways).
- from low inflation to greater inflation (this is very positive for most of what we own).
- from low infrastructure investment to high infrastructure investment, with a focus on carbon reduction, digitalization, and deglobalization (here is where we excel).
- from money having no value to money having value. This has now worked in our favor because we were extremely cautious with our capital structure and bought a sizable insurance float while waiting on cash and not earning anything. This is incredibly beneficial for our earnings and future opportunistic investments.
- from returns produced by financial engineering to returns produced by operational excellence (our area of expertise).

Even though markets are always unpredictable, we think we are prepared for this situation and that soon everyone will be in another phase of economic expansion.

THE CORPORATION IS POSITIONED TO GROW AND WIDEN ITS REACH

The asset manager's shares were recently distributed and listed separately as a result of our 5-year commitment on expanding and growing our operating and asset management companies. We have continually achieved exceptional investment performance and developed this company into a preeminent and distinctively positioned global alternative asset manager by using our substantial permanent capital base, extensive operating skills, global presence, and value investing methodology.

During this time, we have also established and expanded world-class, market-leading businesses in infrastructure, private equity, real estate, and renewable power (including a distinctive net-zero transition company). Additionally, we are now carrying out the steps necessary to develop a premier worldwide insurance company.

With a pool of discretionary capital that significant in the world (\$5 billion), we also produce about \$300 million in operating cash flow every year. Our main focus is on allocating money across our existing operational businesses and new business ventures, with no limits on how we spend most of this cash, with a targeted overall return of 20%+ for shareholders over the long term.

The revenue potential of what we have created and currently own is very great. When we take use of the synergies that exist within the larger Todovale ecosystem, the earnings potential increases even further. Each firm provides very attractive returns on its own. We should be able to produce significant internal growth thanks to the levers for organic growth within our current companies and the ongoing allocation of cash to funds from our asset management company. We intend to increase our free cash flow (or distributable earnings, or "DE") over the next ten years at a compound annual growth rate of roughly 20 percent, which should result in more than \$2 billion in extra cash flow to only our Corporation financial statements during that time.

It is difficult to ignore the chance to invest additional money in those businesses and buy back shares when they are undervalued given our solid track record of investment returns from our present operations.

Additionally, we want to find new investment possibilities that have long-term significance for Todovale as a whole as well as the potential for favorable rates of return. To do this, we will make full use of the network and expertise of our asset management firm. Given the numerous financing sources at our disposal, the scale we may pursue is substantial, and in the current economic climate, we believe it is very likely that something significant and intriguing will present itself, allowing us to further diversify our business and expand our reach.



Since we already have excellent firms, we always have high standards for future investments. Given the competitive possibility to repurchase our own shares, the bar occasionally rises even higher. Despite this, we will keep looking for chances outside of our existing sectors of the economy that will probably fall into one of the following groups:



Insurance Alternatives

We believe that Todovale Reinsurance offers many excellent prospects to invest funds globally. Even though this is currently a well-established business for us, there is room to grow it even more.



Purchasing Strategies

Numerous prospects that we come across are too big for any of our cash. One illustration of this is a \$20 billion company that we were really near to integrating into Todovale Corporation just over a year ago. These chances will be extremely rare, but when we do, it may be a very exciting time.



Growth

We are making investments in brand-new companies that are related to the things we do well. Even while these financial commitments are currently little, they may one day grow to be substantial ones.



Fresh Starts

As a Limited Partner, we are making investments in a few outside private funds in industries in which we do not yet have full-scale teams. Along with the fantastic profits we anticipate, we are also learning a lot. This can then result in new business opportunities for us.

Our individually listed private equity, renewable energy, and infrastructure securities are great investments that give exposure to particular industries, and our recently established asset manager shares now give direct access to our asset management firm and its robust growth potential. At the same time, the shares of Todovale Corporation provide a rare chance to hold them all and gain from the consequent synergies. They also present a chance to participate in our forthcoming chapter, something we are eager to do.

The Best is yet to Come

One of the finest and most rapidly expanding alternative asset managers in the world. We apply a disciplined investment methodology to build value across a variety of public and private fund products, and our asset manager team has over 300 experts working across operations in more than 30 locations on five continents. Since the company's birth 14 years ago, it has expanded to handle assets worth around \$8 billion and maintain close connections with over 500 clients, many of whom are among the largest institutional investors in the world. We have a proven track record of providing these clients with reliable investment returns over an extended period of time.

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The following elements of our highly differentiating strategy are mainly to thank for the continued strength of the business outlook:

- We invest in the backbone of the global economy.
- We leverage our deep operational expertise to create value.
- Because of our size and track record, we benefit from the capital that is increasingly going to the biggest multi-asset class managers during a time of industry consolidation.
- Our company is set up around the most important long-term global drivers of capital in the areas of infrastructure, real estate, credit, and renewable energy and transformation.
- We have a wide variety. With our finance, private equity, and real estate businesses specializing in investing capital in markets like we are experiencing now, this enables the company to expand and deploy money throughout economic cycles.
- We take great pride in offering our clients the best possible service and continually coming up with new ways to satisfy their demands.
- Across Todovale, our \$5 billion of discretionary permanent capital can be invested in our funds. This

is one of the benefits of our structure, and this pool of proprietary capital is unrivalled in the industry.

- The listing of our asset manager provides optionality for strategic acquisitions.

We experienced a record-breaking year of fundraising in 2022 as we saw the advantages of our plan come to pass. Each vintage of our flagship fund series saw more money raised than the one before it, continuing the successful trend. Existing Partners kept making investments in the most recent funds, frequently increasing their commitment, and a number of them switched to new strategies, strengthening their bond with us. Our move Fund, which is currently the industry leader, gives customers the chance to invest with us to help the world move to net zero. We saw the single largest first close for a new strategy ever, and we have been using that capital with success.

We anticipate that the dominance of our credit brand will increase as market turbulence and more difficult economic conditions persist. Our firm is diversified, we become better investors, and we are able to raise and deploy capital at all stages of an economic cycle because one of the most sophisticated credit managers is a part of our franchise.

As part of the larger Todovale ecosystem, we also continue to gain from synergies. Our asset management business is gaining from access to the perpetual capital on our balance sheet and the massive, flexible capital supplied by our insurance solutions firm in light of the tightening financial markets and increased scarcity of money.

Although it is Cyclical, Real Estate is a Fantastic Long-term Enterprise.

A portion of the capital of the Corporation is invested across a very high-quality, highly diversified portfolio of real estate assets in some of the most desirable locations in the world. The majority of the premium real estate we own will eventually be used in our insurance business due to its long duration character, making these assets ideal to match the long-duration liabilities produced by our insurance activities, even though we continue to sell non-core properties.

As a reminder:

- Our real estate private funds, which are widely diversified by region and industry, and where our asset management operation has an excellent track record of generating returns of up to 20% over the long term, are where \$800 million of our capital is placed. Within a five to ten-year time frame, these assets are converted to cash.
- Our top 15 trophy office and retail complexes across the globe are directly funded with \$350 million of our resources. These are some of the best in the world and keep getting better.
- Our residential land development company in the United States and Canada is funded with \$700 million. For many years, this company has produced excellent financial performance. As we complete developments, all of these assets eventually become cash (unless you decide to reinvest it).
- We have \$600 million of our capital invested in other real estate assets that will eventually be sold off, as we have previously mentioned.

We concentrate on the best-located, highest-quality real estate assets since we have discovered that they outperform over extremely long time horizons and across economic cycles. These prestigious buildings typically remain occupied as tenants take advantage of the opportunity to enhance their spaces when the demand for office leasing decreases.

For instance, even though some markets currently have overall vacancy rates as high as 20%, our U.S. office portfolio is still 95% filled, and this year, like-for-like NOI is expected to increase by 10%.

Similar to this, our shopping malls gain when merchants choose to combine their locations into the busiest locations. More than half of the retail portfolio's worth is made up of our top 10 shopping centers. As a result of their high productivity, average tenant sales are currently 20% higher than they were before the epidemic, at over \$1,100 per square foot. In these malls, occupancy has increased to 97%, or roughly where it was before the epidemic. As a result, we are extending leases with rentals that are 8 to 10% higher than the expiring terms.

Our real estate firm offers our renters essential infrastructure. But our tenants' characteristics are always changing and will do so in the future. For instance, our office portfolio's focus 5 years ago was on tenants in the financial services industry and the businesses that provided services to them. These companies ate up office space like there was no tomorrow, and many of them became tenants of our large-format, flexible office buildings in the top cities in the world. The demand for office space in the financial services industry has increased over the past ten years, but employment growth in that sector has grown more slowly due to regulatory reforms.

A portion of the capital of the Corporation is invested across a very high-quality, highly diversified portfolio of real estate assets in some of the most desirable locations in the world

Large technology and media businesses like Amazon, Alphabet, and Meta also started to seek more office space at the same period. Our tenant mix has changed and become much more diverse over time as a result of their attraction to the high-quality nature, flexible layouts, and locations in cities where their employees desired to reside. Businesses are starting to reevaluate how they use their workplace space. Again, employers want to encourage employees to come into the office to interact and cooperate with one another, so the highest-quality, best-located buildings are in high demand.

Similar to how large-format department stores dominated our retail centers years ago, they served as anchor tenants and attracted customers to smaller, higher-rent tenants. We have updated our shopping centers to focus on high-end luxury tenants, entertainment, and food and beverage usage, which appeal to today's consumers as their tastes and purchasing habits have changed. Although the nature and kind of our tenants are continually changing, our properties have noticeable physical features.

Conclusion

We appreciate your interest in Todovale, and we encourage you to get in touch with us <https://todovale.com/contact-us/> if you have any questions, comments, or recommendations.

Sincerely,



Christopher Jenkins
Chief Financial Officer

February 9, 2023

We have a strong belief in the genuine worth of our real estate portfolio and its capacity to provide the business with significant returns for an extended period of time.

These factors account for the real estate company's operating income's ongoing, significant rise. Additionally, despite some short-term effects of rising interest rates on our cash flows, we have a strong belief in the long-term potential of our real estate portfolio to continue generating significant returns for the Corporation.

Our Business and Strategy

Overview

Our goal is to compound capital, providing shareholders with annual returns of 20% or more over the long run. With a history of more than 12 years as real estate owners and operators, we have a demonstrated track record of investing capital to create market-leading companies that produce steady, increasing cash flows and alluring long-term total returns. Asset Management, Insurance Solutions, and our Operating Businesses, which generate \$5 billion in free cash flow yearly and are expanding, are the three businesses in which our capital is currently invested.

Our funding is spread across companies that contribute to building the foundation of the world economy. The income streams from our businesses are typically predictable, inflation-linked, mostly contracting and rising, and have high cash margins. To generate substantial returns throughout market cycles, we take use of our worldwide footprint, the business synergies within our organization, and large-scale, flexible financing. Each of our market-leading businesses has a high growth potential on its own, but when they work together, they create synergies that greatly increase their growth.

We are committed to using the distributions we receive from our businesses to increase value for our shareholders as a seasoned value investor. The significant free cash flows we continue to generate will be used to fund share repurchases, new strategic possibilities, and the expansion of our three businesses. Our objective is to find new investment opportunities that provide strategic value for Todovale as a whole and have the potential for lucrative long-term returns by utilizing the worldwide reach and experience of our asset management business.

We are well-positioned as a partner of choice for the global buildout of infrastructure, the shift to a sustainable energy future, and take-private opportunities thanks to our conservatively capitalized financial statement, which offers downside protection, and our scale, stability, and diversification, which create a differentiating business model. We anticipate building a sizable, exclusive pipeline of prospects thanks to the adaptability of our money and our reputation as a reliable partner.

Building resilient businesses and generating long-term value for our investors and other stakeholders need adherence to sound environmental, social, and governance (or "ESG") standards. As a result, we include these ideas into all of our endeavors, including our investing procedure, and run our company in a moral and sustainable way. A focus on inclusion and diversity strengthens our collaborative culture. It improves our capacity to train employees and keep a motivated staff committed to acting as a reliable partner and top provider of investment solutions.

✓ Investment Priority

We invest in a worldwide and broad portfolio of premium assets or businesses with the following characteristics: long-term or permanent nature:

- constant, mostly shrinking or inflation-linked, and increasing revenues
- ability to achieve operational excellence and generate excessively high financial returns
- highly cash-generative
- substantial entry hurdles coupled with a dominant market position
- provide options for continuous deployment

✓ **Concentrated Investment Techniques**

We make investments in areas where we can use our competitive advantages, such as our sizable and ongoing financial resources, our global recognition, and the synergies across our plans.

✓ **Capital Allocation Expert**

We are experienced value investors who have a proven track record of deploying capital to produce significant compound returns over the long term..

✓ **Disciplinary Approach to Financing**

Throughout business cycles, we prudently use leverage to increase returns while maintaining capital. We have a steady capitalization since underlying investments are often funded at investment-grade levels on a standalone and non-recourse basis. The Corporation is only liable for 5% of the total leverage shown in our consolidated financial statements.

✓ **Sustainability**

In addition to aiming to have a beneficial influence on the environment and the communities in which we operate, we are dedicated to making sure that the assets and businesses in which we invest are set up for long-term success.

The value of our three businesses—asset management, insurance solutions, and operating businesses—which are combined to form our invested capital—is what we refer to as the market value of our company. Capital growth and payouts from our businesses are the two main components of our financial returns. Distributable earnings ("DE") and funds from operations are the two main performance indicators we use to assess the performance of our businesses..

ASSET MANAGEMENT

With \$8 billion in assets under management ("AUM") across infrastructure, renewable power and transition, real estate, private equity, and credit as of December 31, 2022, our asset management business is among the top alternative asset managers in the world. The company uses client money to make long-term investments with a concentration on real estate and critical service companies that support the world economy. The company uses its history as an owner and operator to make investments that add value and provide customers with high returns throughout economic cycles.

Our company manages money across a range of products that, in general, may be divided into three categories: long-term private funds, perpetual strategies, and liquid strategies. These three strategies' products have comparable base management fee, carried interest, and performance fee drivers.

INSURANCE SOLUTIONS

Our insurance solutions company is the owner and operator of a preeminent financial services company that offers capital-based solutions to the insurance sector. The company serves insurance and reinsurance firms with annuity-based reinsurance products through operating subsidiaries and serves as a direct issuer of pension risk transfer products for pension plan sponsors. To achieve attractive, risk-adjusted returns, the company strives to match long-term liabilities with a portfolio of high-quality investments.

Our company had \$100 million in equity capital as of December 31, 2022, and it had assets worth about \$1 billion, with a yearly DE of \$65 million. The creation of one of the top platforms for insurance solutions worldwide is the aim of our insurance solutions business. The capital base of this firm is anticipated to develop significantly in the future, both internally and with the addition of new capital from the Corporation and other commercial partners.

The majority of the assets in our insurance solutions business are managed by our asset management division.

Operating Businesses

Due to our experience as owners and operators of real assets, we currently have around \$2 billion in capital in our active businesses. This capital yields enticing financial returns and gives the corporation crucial stability and flexibility.

Renewable Power and Transition, Infrastructure, and Private Equity

Our investments in infrastructure, private equity, and renewable power and transition act as our main vehicles for committing to the flagship private funds of our asset management business, giving them each a very strong pipeline for growth. These investments are permanent capital sources that are publicly listed. We are able to generate very attractive risk-adjusted returns on our capital thanks to these businesses' key traits of being highly diversified by industry and geography, generating stable and frequently inflation-linked revenue streams, high cash margins, market leadership positions, high barriers to entry, and opportunities to invest additional capital to increase returns.

Our company's business in renewable power and transition owns a variety of high-quality assets spread across several countries and technologies, such as hydropower, wind, utility-scale solar, distributed energy, and sustainable solutions investments. The main source of our cash for our enterprise is our 48% ownership stake in Todovale Renewable Partners, for which we receive quarterly payments. Additionally, we enter into energy contracts, which are our agreements to buy electricity produced by certain North American hydro assets at a defined price, which is subsequently sold on a contracted or uncontracted basis.

One of the largest infrastructure investors in the world, our organization owns and manages assets in the midstream, utilities, data, and transportation industries. Our 27% ownership interest in Todovale Infrastructure Partners, for which we get quarterly payments, serves as our capital in this business.

In the commercial services, industrial, and residential sectors, our private equity business is a top private equity investor with a focus on owning and managing companies that offer necessary goods and services. Our 65% ownership stake in Todovale Business Partners serves as the source of our finance for this venture. Within the Private Equity sector, we also have direct investments in numerous functioning firms.

Real Estate

Our real estate business is a diverse global real estate portfolio that owns and manages one of the largest portfolios of assets for offices, retail, multifamily homes, logistics, hotels, triple net lease, student housing, and mobile homes.

Our investment in this business is made possible by our 100% ownership stake in Todovale Property Group, which currently includes an irreplaceable portfolio of trophy mixed-use precincts in international gateway cities (the "Core"), a portfolio aimed at optimizing returns through a development or buy-fix-sell strategy (the "Transitional & Development"), of which \$300 million includes our investment in our North American residential business, and investments we have made in real estate private equity.

With a track record of excelling over very long periods of time and during economic cycles, Todovale Property Group offers a varied and high-quality portfolio of real estate assets within some of the best locations worldwide.

Competitive Benefits

We routinely find and purchase high-quality properties thanks to three key competitive benefits, and we add a lot of value to the assets we already own and manage.

Significant & Perpetual Capital Base

We have \$990 million in invested capital and \$500 million in steady and increasing free cash flow each year. We have been able to establish and expand new businesses, pursue highly accretive growth, and accelerate the expansion of our asset management company thanks to the availability to large resources.



Worldwide Coverage

We conduct business across five continents and more than 30 nations.

Over the past 12+ years, we have incubated, developed, and launched industry-leading enterprises, each of which has attained a worldwide size and allowed the Corporation to pursue the purchase or expansion of the following market leader. We are increasingly positioned as the capital solutions supplier of choice for big worldwide brands thanks to our established relationships and reputation as a great partner, which are key differentiators. In order to continue looking for opportunities that will offer long-term total returns of over 20%+ a year, we anticipate leveraging our resources and reputation.

Synergies across strategies

We think that by keeping business operations separate, we can create effective capital structures and targeted growth prospects, but by working together, we can increase returns and produce superior results for all of our market-leading firms. Strategic alignment between the Corporation and its market-leading companies enables them to all operate well and produce positive results for stakeholders.

Todovale has access to exclusive investment opportunities thanks to the collaboration between the 340+ investment and asset management professionals in our asset management business and the roughly 3,600 operating staff members spread across more than 30 countries and five continents. Our employees' combined skill sets put us in a position to minimize operational risk, create operating savings, and boost returns.

Investment Cycle

Choose and Purchase High-Quality Assets

To invest and allocate capital, we adopt a value-based strategy. We believe our methodical methodology, worldwide footprint, and operating skills enable us to recognize a variety of prospective opportunities, enable us to invest at attractive values, and enable us to provide better risk-adjusted returns. In order to expand the prospects for capital deployment, we also make use of our extensive expertise in carrying out recapitalizations, operational turnarounds, and sizable development and capital projects.

Long-Term Security Financing

We primarily use long-term, investment-grade financing for our operations, and the majority of our capital comes from equity and separate, asset-by-asset financing with little to no reliance on other areas of the business. To allow operational flexibility and maximize profitability, we use very low amounts of corporate debt. This gives us a great deal of stability, strengthens our ability to survive economic downturns, and frees up our management teams to concentrate on business operations and other growth-related projects.

Utilize Operating Expertise to Increase Value and Cash Flows

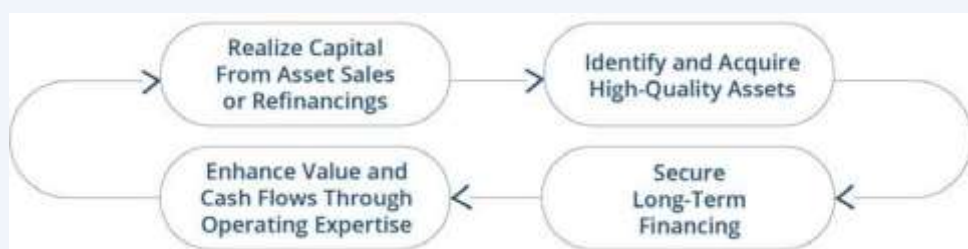
Our powerful, tried-and-true operating capabilities help us safeguard capital in challenging circumstances while increasing the value of the assets within our businesses and the cash flows they generate. We consider one of our most significant competitive benefits to be the ability to ensure that an investment's full value creation potential is fulfilled through the use of our operating skills, development capabilities, and efficient financing.

Realize Capital through the Sale or Refinancing of Assets

In our asset management business, we actively look for opportunities to sell assets or refinance them in order to create cash. In the case of limited-life funds, we subsequently return investor capital, and in the case of perpetual funds, we redeploy investor capital in order to increase returns. Restoring capital from private funds often brings investments to a close, secures investor returns, and establishes performance income.

We Create Value Through Our Operating Cycle

Earning substantial returns on our assets, which compound over time and increase the fee-bearing capital of our asset management business, allows us to build wealth. We enhance the fees and carried interest we get for our asset management company and grow the cash flows that add value to our invested capital by creating value for our investors and shareholders.



Risk Management



Our Approach

Risk management is an essential and vital component of our operation. Our approach to risk management is established, proactive, and disciplined, and it is built upon well-defined operational procedures and a strong risk management culture. By assessing both present and emerging risks, we make sure we have the capacity and resilience needed to respond to changing situations. We use a strong framework and methodology for risk management that is intended to facilitate thorough and standardized risk management throughout the business. To identify and assess risk areas across the organization, including human capital, climate change, liquidity, disruption, regulatory compliance and other strategic, financial, and operational risks, we employ a rigorous and integrated risk assessment methodology. Business and functional groups implement management and mitigation strategies for respective enterprises and areas of responsibility with the necessary coordination and oversight provided by monitoring and reporting procedures. Management and mitigation approaches are tailored to the unique risk areas.

Concentrate on the Risk Culture

Our risk management program's cornerstone is a strong risk culture, one that encourages calculated and acceptable risk-taking, tackles current and future risks, and makes sure staff members operate in a long-term, sustainable, and ethical manner. Our senior executives' strong dedication and visionary leadership, as well as the policies and procedures we have put in place, such as our pay strategy, all serve to strengthen this culture.

Joint Execution

We aim to guarantee that risk is managed as close to its source as possible and by the management teams with the most knowledge and expertise in the particular area given the diversified and decentralized character of our operations.

As a result, given that the risks vary depending on the nature of each organization, business-specific risks, such as health and safety, environmental, and other operational risks, are often managed at the operating business level. At the same time, we keep an eye on major risks across the entire organization to make sure risk management is adequate, applicable. Todovale regulations are followed, and best practices are shared.

We employ a coordinated strategy that is centralized among our corporate and business groups for risks that are more ubiquitous and associated in their impact across the firm, such as liquidity, foreign exchange, and interest rates, or where we can provide specialized knowledge. Strategic, reputational, and regulatory compliance risks are managed in a comparable manner to guarantee uniform attention and application throughout the firm.

Coordination and Supervision

For the purpose of monitoring and managing our risk management program, we have put strong governance practices into place. Management committees, which include the following; bring together the necessary knowledge to manage major risk areas, guaranteeing proper implementation and coordination of risk management procedures throughout our business and functional units.

- **Risk Management Steering Committee** – supports the overall company risk management program and coordinates enterprise-wide risk assessment and mitigation.
- **Investment Committees** – examines and approves investment agreements while keeping an eye on the investment process.
- **Conflicts Committee** – in the investing process and other company transactions, addresses potential conflict situations
- **Financial Risk Oversight Committee** – reviews and monitors financial exposures
- **ESG Leadership** – oversees, coordinates and implements activities related to ESG, including current and future initiatives, and sector and market trends
- **Safety Leadership Committee** – encourages a strong safety culture, keeps track of safety trends, and funds strategic projects pertaining to issues of health, safety, security, and the environment
- **Net Zero Steering Committee** – Create decarbonization goals, operationalize a strategy, and distribute best practices throughout the company
- **Disclosure Committee** – oversees the public disclosure of material information

The Board of Directors of Todovale (the "Board") is responsible for managing risk with a focus on bigger risks and by utilizing management's monitoring procedures. The following board committees are in charge of monitoring certain risks on behalf of the Board:

- **Risk Management Committee** – oversees the management of Todovale's major financial and non-financial risk exposures, including reviewing of risk assessment and risk management procedures, and establishes that the company has a proper risk-taking culture and capacity
- **Audit Committee** – monitors the management of risks linked with the internal and external audit processes that are connected to Todovale's financial reporting systems and procedures.
- **Management Resources and Compensation Committee** – oversees risks associated with Todovale's management resource planning, such as executive remuneration, succession planning, and senior executive performance
- **Governance and Nominating Committee** – keeps an eye on the risks associated with Todovale's governance structure, such as the efficiency of board and committee operations, potential conflicts of interest, and ESG governance

Value Creation

In two different methods, we add value for our shareholders. First, we take part in growth in our Asset Management, Insurance Solutions, and Operating Businesses' earnings and value, which enables us to raise the cash dividends we pay to shareholders. Second, we may use the sizeable free cash flows we still have to reinvest in share buybacks, support the expansion of our three businesses, and create new strategic opportunities.

Our capital is deployed across our three businesses



**Asset
Management**



**Insurance
Solutions**



**Operating
Businesses**

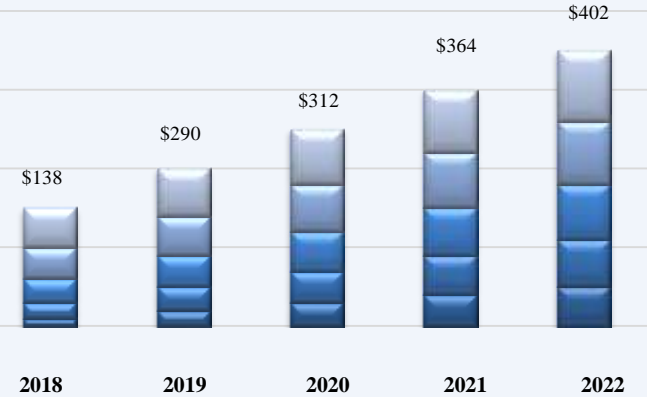
Each of our businesses has a promising development trajectory on its own, but when they work together, they create synergies that greatly accelerate that growth.

Performance Highlights

Fee-Bearing Capital

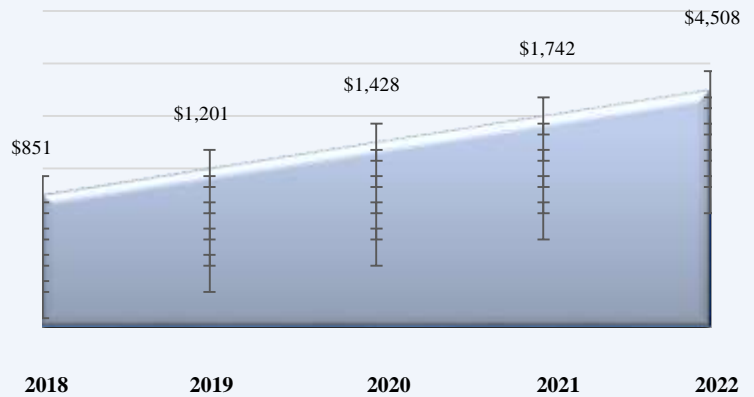
As at Dec. 31 (MILLIONS)

Real Estate Infrastructure Private Equity
Renewable Power & Transition Credit & Other



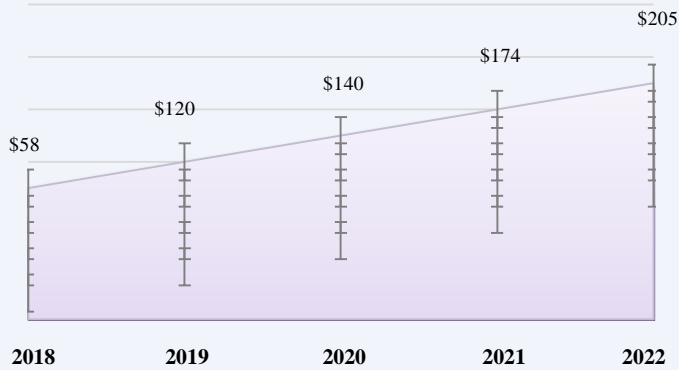
Fee-Related Earnings

Excluding Performance Fees
As at Dec. 31 (MILLIONS)



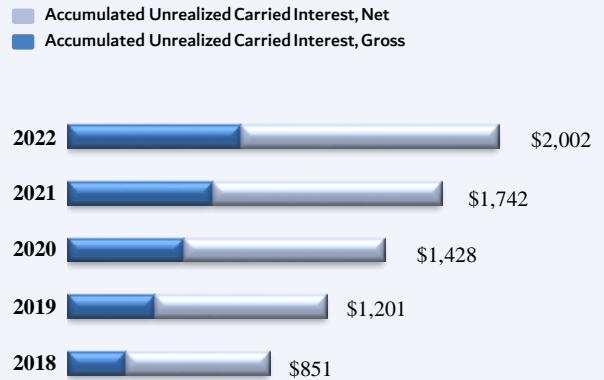
Carry Eligible Capital

As at Dec. 31 (BILLIONS)



Accumulated Unrealized Carried Interest

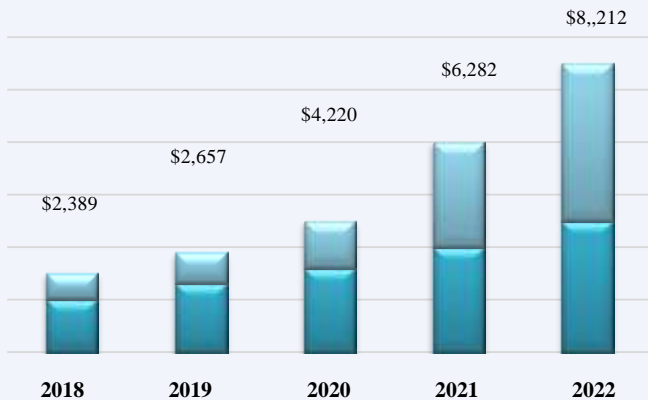
As at Dec. 31 (MILLIONS)



Distributable Earnings

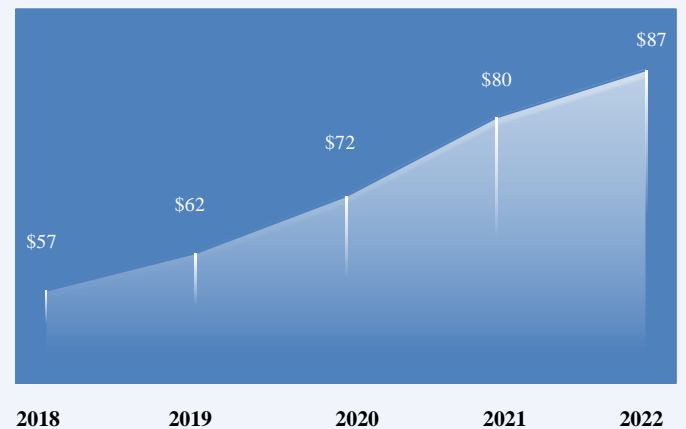
For the Years Ended Dec. 31 (MILLIONS)

Distributable earnings before realizations
Realized carried interest and disposition gains
From principal investments



Distributions to Common Shareholders

For the Years Ended Dec. 31 (MILLIONS)



Foreign Currency Translation

The cash flows from these businesses, as well as our equity, are impacted by changes in foreign exchange rates because about half of our capital is invested in non-U.S. currencies. We occasionally use financial contracts to reduce these exposures. The following table displays the key exchange rates that have the biggest effects on our business:

AS AT DEC. 31	Year End Spot Rate			Change		Average Rate			Change	
	2022	2021	2020	2022 vs. 2021	2021 vs. 2020	2022	2021	2020	2022 vs. 2021	2021 vs. 2020
Australian dollar...	0.6813	0.7262	0.7694	(6)%	(6)%	0.6949	0.7515	0.6908	(8)%	9 %
Brazilian real.....	5.2165	5.5804	5.1975	7 %	(7)%	5.1644	5.3969	5.1546	5 %	(4)%
British pound.....	1.2083	1.3532	1.3670	(11)%	(1)%	1.2372	1.3759	1.2838	(10)%	7 %
Canadian dollar....	0.7382	0.7913	0.7853	(7)%	1 %	0.7690	0.7979	0.7464	(4)%	7 %
Colombian peso	4,852.5	4,064.9	3,428.3	(16)%	(16)%	4,260.5	3,747.7	3,695.4	(12)%	(1)%
Euro	1.0705	1.1370	1.2217	(6)%	(7)%	1.0538	1.1831	1.1416	(11)%	4 %

1. Using Brazilian real and Colombian peso as the price currency.

Currency exchange rates relative to the U.S. dollar at the end of the current year were lower than December 31, 2021 for all of our significant non-U.S. dollar investments with the exception of the Brazilian real. As at December 31, 2022, our common equity of \$3.9 billion was invested in the following currencies: U.S. dollars – 48% (December 31, 2021 – 55%); British pounds – 15% (December 31, 2021 – 16%); Canadian dollars – 7% (December 31, 2021 – 7%); Australian dollars – 7% (December 31, 2021 – 6%); Brazilian reais – 7% (December 31, 2021 – 6%); Colombian pesos – 1% (December 31, 2021 – 1%); and other currencies – 15% (December 31, 2021 – 9%).

The following table disaggregates the impact of foreign currency translation on our equity by the most significant non-U.S. currencies:

FOR THE YEARS ENDED DEC 31 (MILLIONS)	2022	2021	Change
Australian dollar	\$ (685)	\$ (495)	\$ (190)
Brazilian real	783	(391)	1,174
British pound	(1,613)	(127)	(1,486)
Canadian dollar	(1,015)	269	(1,284)
Colombian peso	(772)	(815)	43
Euro	(422)	(430)	8
Other	(1,129)	(341)	(788)
Total cumulative translation adjustments	(4,853)	(2,330)	(2,523)
Currency hedges	2,834	441	2,393
Total cumulative translation adjustments net of currency hedges	\$ (2,019)	\$ (1,889)	\$ (130)
Attributable to:			
Shareholders	\$ (542)	\$ (318)	\$ (224)
Non-controlling interests	(1,477)	(1,571)	94
	\$ (2,019)	\$ (1,889)	\$ (130)

1. Includes deferred income tax expense of \$8.7 million (2021 – recovery of \$2.1 million).

The foreign currency translation of our equity, net of currency hedges, for the year ended December 31, 2022 lowered consolidated equity by \$200 million of which our share was \$54.2 million. This was primarily attributable to the lower year-end rates across most currencies relative to the U.S. dollar.

We seek to hedge foreign currency exposure where the cost of doing so is reasonable. Due to the high historical costs associated with hedging the Brazilian real, Colombian peso and other emerging market currencies, hedge levels against those currencies were low as at December 31, 2022.

Notes to the Financial Statements

Important Accounting Principles

The following is a list of the main accounting principles that the corporation employed when preparing its financial statements. All references to "net assets" in the financial statements, unless specifically stated differently, refer to "net assets attributable to holders of the redeemable participation units in the Company."

Fundamentals of Preparation

Financial assets and liabilities were revalued at fair value through profit or loss as a change to the historical cost convention used to prepare the financial statements.

The financial statements have been created under the assumption that the firm will continue.

Currency for Presentation

(i) Currency for Presentation

The presentation currency of the Fund is the dollar (USD). Two unit classes were in use for the fiscal year that ended on December 31, 2022. USD and GBP class A.

(ii) Balances and Transactions

Foreign currency transactions are converted into the functional and presentation currencies using the exchange rates in force on the dates of the transactions. Assets and liabilities are translated into the functional currency at the Statement of Financial Position date using the applicable exchange rates. The transaction statement and the translation of financial assets and liabilities denominated in foreign currencies at the end of the financial year are both sources of foreign currency gains and losses that are included in the Statement of Comprehensive Income.

The net realized and unrealized losses on investments due to currency exchange rate fluctuations on financial instruments held at fair value through profit or loss are included in the Statement of Comprehensive Income.

Employing Estimates

In order to create financial statements that adhere to IRS standards, Todovale Managers (the "Manager") must make judgments, estimates, and assumptions that affect how policies are applied as well as the reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical data as well as a few additional factors that are deemed fair in the present circumstance. Decisions about the carrying values of assets and liabilities that are not readily obvious from other sources are based on the results of these calculations. These projections might not reflect the final results.

Income/Expense

Any withholding taxes that cannot be reimbursed are recorded before dividend income. Investment-related earnings and losses are documented using the accruals method.

Financial Instruments at Fair Value Through Profit or Loss

(i) Classification

Before designating its financial instruments as assets or liabilities, the corporation calculates their fair value using profit or loss.

(ii) Recognition and Derecognition

On the trade date, which is the day the corporation commits to buying or selling the asset, investment purchases and sells that are made on a regular basis are recorded. Investments are evaluated at fair market value when purchased, and transaction costs are deducted as they are incurred for all financial assets carried at fair market value through profit or loss. When the corporation has substantially transferred all ownership risks and advantages or when the rights to receive cash flows from the investments have expired, investments are no longer recognized.

(iii) Measurement

Fair value is initially recorded through profit or loss for both financial assets and liabilities. After initial recognition through profit or loss, all financial assets and financial obligations are assessed at fair market value. The Statement of Comprehensive Income for the fiscal year in which the modifications to the fair value of financial assets or liabilities included in the profit or loss category occur shows gains and losses as a result of such adjustments.

(iv) Fair Value Measurement

Fair value is the sum that would be paid to purchase, receive, or transfer an asset or liability in a market when transactions are conducted in an orderly manner. For the purpose of valuing securities quoted, listed, or traded on a recognized exchange, the last trading price on each valuation day should be the basis. For practical purposes, this is done.

Net Realized and Unrealized Gains/(losses) on Investments

	31 December 2022	31 December 2021
	US\$	US\$
Net realized and unrealized loss on investments		
Net realized gain/(loss) on sale of investments	59,773,624	50,145,658
Net unrealized (loss)/gain on investments	(17,076,734)	(82,099,682)
	42,696,890	(31,954,024)
Net loss on currencies		
Realized currency gain	2,819,012	2,002,139
Realized currency loss	(766,407)	(2,280,973)
Unrealized currency gain	2,267	2,600
Unrealized currency loss	(687)	(1,790)
	2,049,651	(278,024)
Total net realized and unrealized (loss)/gain on investments	44,746,541	(32,232,048)

Fees and Expenses

Investment Management Fee

The connected corporate sub-fund's assets will be used by the management to pay the investment manager's fees. The Investment Management Fee will accrue on each day of trading and be due in arrears each month. The maximum amount that can be charged in addition to the stipulated annual Investment Management Fee is 0.70% of the Net Asset Value of Each Class.

The Investment Manager has voluntarily agreed to pay the expenses incurred by each sub-administrative fund in any fiscal year, including its allocable share of administrative expenses incurred by the company, to the extent that such expenses exceed the expense cap set at 0.20% of the Net Asset Value of Each Class. Administrative costs are specifically exempted from the Investment Manager's Fee, brokerage commissions, and other investment-related fees, as well as transaction fees for hedging, extraordinary, one-time, and other unusual costs (including taxes), interest costs, and transfer taxes. Every Distributor is paid at market rates, and the Manager will deduct that payment from the investment management fee.

The investment manager is accountable for managing the company's assets and investments in accordance with the investment objective, policy, and strategies described in the prospectus under the constant supervision and direction of the Manager. On request, unitholders shall be given access to the information about any sub-investment managers, advisers, or other representatives the investment manager designates. This information will also be included in periodic reports.

The Investment Manager will directly deduct the fees and expenditures of any delegate from the Company's assets, as long as this has been agreed upon with the Investment Manager and is described in the Prospectus.

Other Receivables

	31 December 2022	31 December 2021
As at 31 December 2022	US\$	US\$
Withholding tax reclaims receivable	14,604	11,499
Dividend income	62,182	48,962
Bank interest income	44	39
	76,830	60,500

Other Expenses Payable

	31 December 2022	31 December 2021
As at 31 December 2022	US\$	US\$
General expenses payable	12,806	12,705
Legal fee payable	5,947	5,426
Professional fee payable	17,186	13,860
Capital gains tax payable	1,563,684	1,136,398
	1,599,623	1,168,389

Financial Statements

Comprehensive Income Statement

	31 December 2022 US\$	31 December 2021 US\$
Investment Income		
Bank interest income	228,086	175,992
Dividend income	4,084,725	3,300,521
Net realized and unrealized (loss)/gain on investments	7,464,460	(31,954,024)
Net losses on currencies	(135,676)	(278,024)
Total investment (loss)/gain	11,641,595	(28,755,535)
Expenses		
Administration fees	(131,455)	(170,988)
Auditor fees	(11,114)	(14,906)
Depositary fees	(199,321)	(341,303)
Investment Management fees	(844,275)	(1,599,006)
Management fees	(104,137)	(150,487)
General expenses	(29,494)	(42,869)
Establishment fees	—	—
Legal fees	(22,769)	(30,669)
Total operating expenses	(1,342,565)	(2,350,228)
Net (loss)/gain before finance costs	10,299,030	(31,105,763)
Finance costs		
Distributions	(339,990)	(745,593)
Bank interest expenses	(99)	(136)
	(340,089)	(745,729)
(Loss)/gain for the financial year before tax	9,958,941	(31,851,492)
Withholding tax	(298,809)	(430,312)
Change in net assets attributable to Unitholders of redeemable participating Units resulting from operations	9,660,132	(32,281,804)

Further than what is mentioned above, there are no further recognized earnings or losses from the financial year. In determining the financial year's results. The sums listed above are for ongoing business.

The financial statements wouldn't be complete without the notes that go with them.

Financial Position Statement

	31 December 2022 US\$	31 December 2021 US\$
Current Assets		
Financial assets at fair value through profit or loss		
– Transferable securities	225,538,567	208,928,733
Cash and cash equivalents	2,123,454	1,998,545
Other receivables	67,367	60,500
Total Current Assets	227,729,388	210,987,778
Current Liabilities		
Administration fee payable	24,567	22,784
Audit fees payable	14,452	14,218
Depositary fees payable	85,348	75,496
Investment Management fees payable	295,467	284,969
Management fees payable	163,391	157,789
Other expenses payable	1,183,952	1,168,389
Payable for securities purchased	7,134	6,155
Total Current Liabilities	1,774,311	1,729,800
Net assets attributable to unitholders of redeemable participating units	225,995,077	209,257,978
Number of redeemable participating units		
Class A USD*	72,048	—
Class A GBP	175,727	188,750
Net Asset Value per redeemable participating units		
Class A USD*	—	—
Class A GBP	£881.89	£819.07

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Units

	31 December 2022	31 December 2021
	US\$	US\$
Net assets attributable to unitholders of redeemable participating units at the beginning of the year	469,949,517	457,639,027
Issue of redeemable units during the financial year	—	—
Redemption of redeemable units during the financial year	(251,539,521)	(216,099,245)
Change in net assets attributable to unitholders of redeemable participating units resulting from operations	(4,067,507)	(32,281,804)
Net assets attributable to holders of redeemable participating units at the end of the year	214,342,489	209,257,978

The accompanying notes are an integral part of the financial statements.

Cash Flow Statement

	31 December 2022 US\$	31 December 2021 US\$
Cash flows from operating activities		
(Decrease)/increase in net assets attributable to holders of redeemable participating units from operations adjustments to reconcile decrease in net assets attributable to holders of redeemable participating units from operations to net cash provided by operating activities:	(28,595,222)	(32,281,804)
Purchase of Investments	(74,990,451)	(82,280,503)
Proceeds from sale of investments	330,578,249	289,219,816
Net loss/(gain) on financial assets and liabilities at fair value through profit or loss	34,031,675	31,954,024
Other receivables	(26,110)	(25,857)
Investment management fees payable	(545,931)	(620,151)
Management fees payable	72,091	70,394
Audit fees payable	(3,845)	(4,086)
Depositary fees payable	(72,441)	(76,205)
Administration fees payable	(67,272)	(69,206)
Establishment fees payable	(2,618)	—
Other expenses payable	1,214,068	1,112,395
Net cash provided by operating activities	261,592,193	206,998,817
Cash flows from financing activities		
Issue of redeemable participating units	—	—
Redemption of redeemable participating units	(265,088,945)	(216,099,245)
Net cash used in financing activities	(265,088,945)	(216,099,245)
Net decrease in cash and cash equivalents	(3,496,752)	(9,100,428)
Cash and cash equivalents at the beginning of the financial year	12,013,529	11,098,973
Cash and cash equivalents at the end of the year	8,516,777	1,998,545
Interest received	189,924	175,817

The accompanying notes are an integral part of the financial statements.



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