

# Credit Rating Report

## British Columbia Investment Management Corporation

### Morningstar DBRS

October 03, 2025

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### Credit Ratings

Issuer	Debt	Credit Rating	Credit Rating Action	Trend
British Columbia Investment Management Corporation	Issuer Rating	AAA	Confirmed Sept '25	Stable
British Columbia Investment Management Corporation	Medium Term Notes	AAA	Confirmed Sept '25	Stable

Note: A complete list of credit ratings can be found on page 13 of the Credit Rating Report.

### Credit Rating Drivers

#### Factors With Positive Credit Rating Implications

- N/A as highest credit rating is already assigned.

#### Factors With Negative Credit Rating Implications

- Morningstar DBRS would downgrade the credit ratings if BCI were to experience a material change in its legislated framework. The credit ratings would also be downgraded if BCI delivers weak investment returns consistently below benchmarks over time or experiences a material decline in assets under management (AUM).

### Credit Rating Considerations

#### Legislated Framework (AAA)

- The Public Sector Pension Plan Act (PSPPA) mandates BCI to provide investment management services to public sector clients in the Province of British Columbia (BC or the Province; rated AA (high) with a Negative trend). While there is no explicit legislation requiring its clients have their assets managed only by BCI, there are several mitigating factors that lock in clients. Moreover, given the historical investment performance that is outperforming longer-term benchmarks, we consider any wholesale change in the Corporation's role as the provincial public-sector asset manager a remote possibility.

#### Plan Sponsors and Demographics of a Plan's Membership (AAA)

- The Province, employer associations, and employees are the joint sponsors of the four largest pension plans whose funds are managed by BCI, which provides considerable stability and certainty of cash flows. The Corporation's pension plan clients have good demographic profiles with the active to retired members ratio in the range of 1.22 times (x) to 1.99x.

#### Management Framework (AAA)

- The Corporation operates under a dual accountability model. BCI is accountable to its clients and to the BCI board. The chief investment officer/chief executive officer (CIO/CEO) is accountable for all investment decisions. BCI is exposed to various investment risks that it manages within its risk framework with a considerable amount of expertise and sophistication. Strong liquidity coverage of 20 months provides ample cushion against market stress events.

#### Financial Resources (AAA)

- As at March 31st, 2025, BCI had gross AUM and net AUM of \$295.0 billion and \$251.6 billion, respectively. During the year, net AUM grew by \$22.2 billion from \$229.5 billion previously, reflecting investment gains of \$21.9 billion and client net contributions of \$0.3 billion. The Corporation delivered a one-year combined pension plan return of 10.0%.

#### Funding Status (AAA)

- The Corporation is not responsible for its clients' pension liabilities. However, pension clients' most recent actuarial valuations indicate that plans are well-funded, in the 100% to 133% range on a going-concern basis.

**Liabilities (AAA)**

- BCI's leverage liabilities consists of repos and medium-term notes. The resulting financial leverage is 10.8%, which is strong relative to the funding program guidelines of 30% of net AUM.

**Financial Information**

(CAD Billions)	As of December 31				
	2024	2023	2022	2021	2020
Combined Funds <sup>1</sup>	176.4	156.8	145.5	158.5	139.7
Recourse Debt <sup>2</sup>	3.9	1.3	n/a	n/a	n/a
As a Share of Adjusted Combined Funds (%) <sup>3</sup>	2.2	0.8	n/a	n/a	n/a

1. All the pooled investment portfolios, excluding pooled real estate and real estate debt investments managed by BCI's wholly owned real estate arm, QuadReal Property Group Limited Partnership and QuadReal Finance LP (together, QuadReal; the Combined Funds or Recourse AUM).

2. Fair Value.

3. For the purposes of the ratio calculation, Combined Funds are adjusted by adding back recourse debt.

	For the year ended March 31				
	2025	2024	2023	2022	2021
Gross AUM	295.0	250.4	233.0	211.1	199.6
Portfolio Return (%) <sup>4,5</sup>	10.0	7.5	3.5	7.4	16.5
Benchmark Return (%) <sup>4,5</sup>	12.3	11.6	0.3	4.6	17.1

4. Reflects the investments of BCI's six largest pension clients, namely: BC Hydro Pension Plan, College Pension Plan, Municipal Pension Plan, Public Service Pension Plan, Teachers' Pension Plan, and WorkSafeBC Pension Plan.

5. Includes the impact of centralized currency management program, where set.

**Issuer Description**

BCI was created in 1999 under the Public Sector Pension Plans Act (the Act), as an agent of the Province, but remains at arm's length from government decision-making and has a governance structure that limits political interference. BCI was incorporated as a trust company authorized to carry on trust business and investment management services for the College Pension Plan, the Municipal Pension Plan, the Public Service Pension Plan, the Teachers' Pension Plan, and other public sector entities and programs.

**Credit Rating Rationale**

The AAA credit ratings and Stable trends are supported by a substantial and stable asset base, low leverage, ample liquidity, and strong operating performance. Moreover, BC is a plan employer partner of the four largest pension funds managed by BCI, which provides considerable stability and certainty of cash flows. Despite financial market volatility, the Corporation has demonstrated consistently good returns by maintaining a well-diversified portfolio consisting of quality assets. BCI provides investment management services to British Columbia's public sector but is not responsible for its clients' pensions or other liabilities. BCI's portfolio also includes a sizable portion of equity, real estate, and infrastructure, which can be riskier or less liquid but has higher return potential. Nonetheless, BCI maintains a right-sized liquidity position to make up for the illiquid nature of these investments as well as allowing the Corporation the flexibility to allocate capital to new opportunities, portfolio companies, and investment funds.

### Legislated Framework: AAA

BCI was established in 1999 under the PSPPA to provide investment management services to public-sector pension and other clients in British Columbia. While there is no explicit legislation requiring its clients to have their assets managed solely by BCI, there are several mitigating factors that lock in clients, such as the existing joint trust agreements with the four-largest plans that specify that their pension funds shall be managed by the Corporation. However, the agreement allows the pension trustees to use alternative asset management services if it is in the best interest of their plan members. We consider any wholesale change in the Corporation's role as the provincial public-sector asset manager a remote possibility, given the historical investment performance, which outperformed longer-term benchmarks. Furthermore, while BCI's clients are entitled to request the withdrawal of some or all of their investments from the Combined Funds (i.e., the pooled funds backing the Medium Term Notes (MTN) program), that right of withdrawal is subject to certain limitations under the terms of the fund management agreements with each client and the Corporation's internal investment policies and product descriptions. BCI also has the power and authority to withhold funds as required to ensure its ability to satisfy its obligations under the terms of the MTN program. Overall, BCI's creation as an agent of the Province for the sole purpose of managing public sector assets generally results in considerable stability to its legislative framework, making the assets captive and the risk of any material adverse change to the legislation very remote.

### Plan Sponsors and Demographics of a Plan's Membership: AAA

The Province, employer associations, and employees are the joint sponsors of the four-largest pension plans: Public Service Pension Plan, Municipal Pension Plan, Teachers' Pension Plan, and College Pension Plan. Their funds are managed by BCI, which provides considerable stability and certainty of cash flows. Based on the latest census reports, the active-to-retired ratio across large pension plans is in the range of 1.22x to 1.99x (Exhibit 1). A higher ratio of active-to-retired members points to greater flexibility in absorbing funding deficiencies through increased contribution rates and/or slower benefit accretion for active employees.

**Exhibit 1** BCI's Major Plans' Demographics

Pension Plan	Census Date	Demographics				
		Active	Inactive	Retired	Total	Active to Retired
Municipal Pension Plan	December 31, 2023	256,341	60,906	128,903	446,150	1.99
Public Service Pension Plan	March 31, 2024	75,821	25,337	56,528	157,686	1.34
Teachers' Pension Plan	December 31, 2024	52,134	13,234	42,611	107,979	1.22
College Pension Plan	August 31, 2024	18,008	8,548	11,234	37,790	1.60
WorkSafeBC Pension Plan	March 31, 2024	4,005	656	2,615	7,276	1.53

Sources: Morningstar DBRS and Corporation documents.

With its AA (high) credit rating, the Province is well-placed to manage the impact of any future potential increase in the contribution rates of these four plans. Joint sponsorship of the pension plans is also credit-positive as it leads to greater engagement on the part of the sponsors, particularly employees, with respect to plan design and performance. The PSPPA establishes that contributions to these plans are mandatory and made jointly.

**Management Framework: AAA**

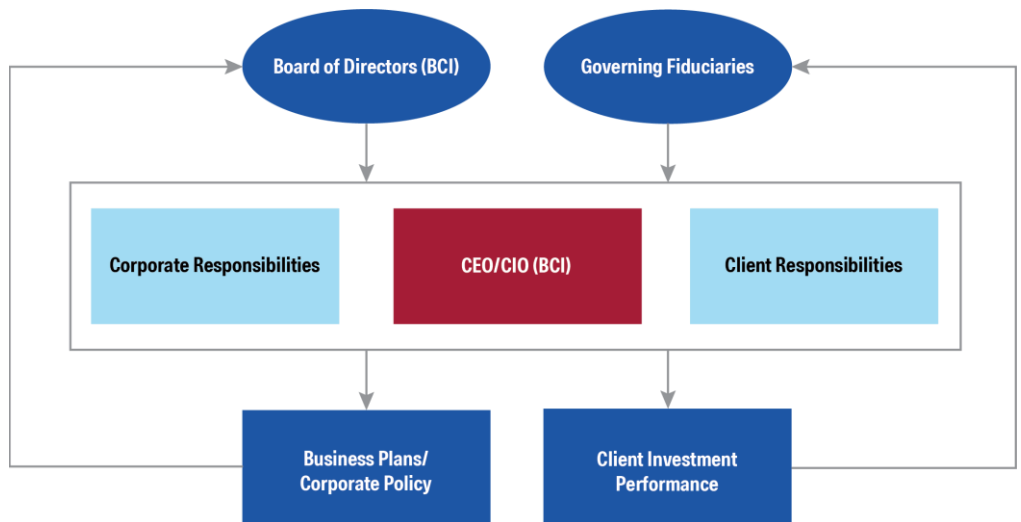
**Governance Framework**

The Corporation operates under a dual accountability model, as set out in the PSPPA. BCI is accountable to its clients and to the BCI board. The CIO/CEO is accountable to each client for their investment returns and the management of their funds (Exhibit 2).

BCI's corporate governance structure includes a code of conduct with conflict of interest guidelines, an organizational structure that provides for appropriate segregation of duties and accountability for performance, an enterprise-wide risk management framework, and board-approved fund policies and client-approved investment mandates.

BCI is governed by a seven-member board that includes four directors appointed by each of the College Pension Board, the Municipal Pension Board, the Public Service Pension Board, and the Teachers' Pension Board, two directors who are representative of other clients and appointed by the minister of finance, and one director who is designated to be the chair and is also appointed by the minister of finance.

**Exhibit 2** BCI's Dual Accountability Model



Sources: Morningstar DBRS and Corporation documents.

The board acts independently of the Province and makes decisions in the best interests of BCI and its clients. While the PSPPA assigns responsibility to the CIO for the day-to-day duties relating to the management of the investments, the board is responsible for providing general oversight to BCI's operations and ensuring there is proper reporting and accountability to the Corporation's clients and the minister of finance.

The board retains responsibility for appointing the CIO and the external auditor, setting compensation, and approving key policies with respect to the proper discharge of the Corporation's mandate, as well as reviewing and approving the business plan and budget, conflict of interest guidelines, and policies for the pooled funds. The board operates two subcommittees, the Audit Committee and the Human Resources and Governance Committee, and occasionally ad hoc committees. The board is legislatively prohibited from being involved in investment decisions but can provide policy advice to the CIO.

Under the supervision of the CIO, who also serves as the CEO, the investment teams make investment decisions in accordance with legal contracts established with their clients, investment policies, and management frameworks for their specific funds, as well as applicable legislation and regulations. The governing fiduciaries/trustees of the Corporation's clients monitor BCI's work to address investment opportunities and long-term material risks, and to ensure alignment with their policies. The governing fiduciaries/trustees receive regular reports from BCI, supporting its oversight of investment risk.

### **Management**

BCI derives its authority to provide investment management services from its funds management agreements (FMAs), statement of investment policies and procedures (SIPPs), and consolidated product descriptions (CPD). Once negotiated, the FMAs provide BCI the authority to provide investment management services to the client, including the authority to move client funds and assets as required. FMAs also establish the process through which a client may withdraw funds from BCI in order to ensure that any existing investment commitments made by the Corporation can be fulfilled as planned. SIPPs are delivered by clients to BCI and set out, among other things, a client's desired broad asset allocation. While SIPPs are a client's responsibility, BCI is often heavily involved in the development of client SIPPs. The CPD is a description of the various investment products and pooled funds that BCI offers to its clients, spanning all asset classes. The product description for each product, or pooled fund, will include a description of how a client may enter or exit that product, including future commitments already made by BCI. The Corporation's investment management team invests the funds allocated through FMAs while ensuring that the allocation strategies in SIPPs are followed.

### **Risk Management**

BCI embedded risk management into the culture and operations of the Corporation, including strategic planning, investment decision making and monitoring, and other key operational and investment controls and activities. BCI adopted a board-approved integrated risk governance framework that sets out the roles and responsibilities for governance and oversight of risk. Its two risk committees, the Enterprise Risk Management Committee (ERMC) and the Investment Risk Committee, form part of the integrated risk governance framework. These committees support the CEO/CIO in the oversight and management of all risks and the board in the oversight of risk management.

Environmental, Social, and Governance (ESG) investing is embedded in BCI's investment decision-making process, similar to other pension funds we rate and exclusive asset managers. The Corporation believes that taking ESG matters into account enables investors to better understand, manage, and mitigate risks and to take advantage of opportunities associated with long-term investments. For several

years, BCI has been actively engaged in addressing climate change and has set a goal to ensure that, by 2030, at least 80% of the Corporation's most carbon-intensive investments have set mature net zero aligned commitments or are the subject of direct or collaborative engagement.

### **Liquidity Management**

Liquidity management falls within BCI's broader risk management framework and investment risk management framework. BCI is expected to maintain ample liquidity to be able to meet all expected and unexpected liquidity requirements that could arise in a severe stress scenario. Policies also specify minimum liquidity levels and how liquidity is maintained. The governance framework for managing and measuring liquidity risk includes the methodologies used, such as the liquidity coverage ratio, stress scenarios, risk thresholds, and monitoring requirements for the prudent management of risk. BCI monitors liquidity risk on a regular basis and includes the tracking of early warning indicators of deterioration in its liquidity position. BCI set up an MTN program that allows it to issue unsecured, unsubordinated debt with recourse to the Combined Funds. This program also spreads out maturity profiles enhancing resilience while making BCI less reliant on repo market funding. BCI ended the year with liquidity coverage for 20 months, significantly above the internal guideline of 12 months coverage.

### **Valuation of Private Market Assets**

BCI measures all of its investments at fair value in accordance with accounting standards. Valuation of all assets is directed by BCI's Valuation Policy, which is approved by the board and is further supported by valuation directives that establish the valuation principles, the methodology for each type of investment, frequency of valuations, and reporting. Fair values for investments held within pooled investment portfolios are determined on any opening date when units are issued or redeemed on a nonproportionate basis and for year-end financial reporting. Large direct and co-investments in private equity are valued externally at least annually. Otherwise, they may be valued internally by BCI staff with appropriate knowledge and expertise using industry accepted valuation techniques. When relying on a third-party manager for the determination of the fair value, BCI reviews the appropriateness of such valuations using audited financial statements of the underlying investments and other information available.

### **Financial Resources: AAA**

#### **Investment Allocation and Strategy**

As at March 31st, 2025, BCI had gross AUM and net AUM (gross AUM less financial leverage from repurchase agreements (repos) and unsecured debt funding) of \$295.0 billion and \$251.6 billion, respectively. During the year, net AUM grew by \$22.2 billion from \$229.5 billion the previous year, reflecting investment gains of \$21.9 billion and client net contributions of \$0.3 billion. For the Combined Funds or recourse assets, BCI closed the year with gross AUM and net AUM of \$203.9 billion and \$176.4 billion, respectively. These Combined Funds provide a considerable buffer against any potential claims arising from the recourse debt issued.

The Corporation delivered a one-year combined pension plan return of 10.0%, net of all fees, compared with the benchmark of 12.3% for the fiscal year. BCI outperformed benchmarks for all asset classes

except real estate equity, private equity, and public equity (excluding global public equity). Global public equity, private equity (although it underperformed its benchmark), and private debt were the highest contributors to the combined return, delivering returns of 14.3%, 13.4%, and 10.2%, respectively. Real estate equity was the only asset class with a negative return as it delivered -1.8%.

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**Exhibit 3 Client's Assets**

	For the year ended March 31				
	2025	2024	2023	2022	2021
Gross AUM	295.0	250.4	233.0	211.1	199.6

<b>Net AUM</b>	For the year ended March 31				
(CAD Billions)	2025	2024	2023	2022	2021
Pension Plans	197.0	179.0	167.8	164.0	153.8
Insurance Plans	44.8	44.3	42.4	43.0	42.0
Other	9.8	6.2	4.8	4.1	3.8
<b>Net Assets</b>	<b>251.6</b>	<b>229.5</b>	<b>215.0</b>	<b>211.1</b>	<b>199.6</b>

Note: Total of individual asset classes may not add up to gross AUM because of other strategies (cash or hedging program) and funding leverage not reflected above

Sources: Morningstar DBRS and Corporation documents.

While BCI's clients are entitled to request a withdrawal of some or all their investments in the Combined Funds, that right of withdrawal is subject to certain limitations under the terms of the FMAs, SIPPs with each client, and BCI's internal investment policies and product descriptions. This provides stability for the asset base within Combined Funds (Exhibit 4). BCI's clients could place some or all of their funds with other investment managers for fund management services, which could weaken the stability of the asset base; however, Morningstar DBRS views this risk as very remote, given the historical success of BCI's investment management model and the degree of sophistication and scale of the Corporation, which provides clients with access to investment opportunities that otherwise may not be accessible to them.

**Exhibit 4** BCI's Combined Funds Mix

<b>Actual Combined Funds Composition<sup>1</sup></b>					
	As of December 31				
<b>Percentage</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Fixed Income</b>					
Fixed Income Investments	43.0	46.4	45.8	45.6	44.0
Private Debt Investments	8.2	7.7	7.2	4.2	3.6
<b>Total</b>	<b>51.2</b>	<b>54.2</b>	<b>53.1</b>	<b>49.9</b>	<b>47.7</b>
<b>Real Assets</b>					
Infrastructure and Renewable Resources	9.6	9.3	9.4	7.6	8.0
<b>Total</b>	<b>9.6</b>	<b>9.3</b>	<b>9.4</b>	<b>7.6</b>	<b>8.0</b>
<b>Equities</b>					
Public Equity	19.6	17.4	18.1	27.9	31.5
Private Equity	13.5	13.5	14.6	12.2	11.8
<b>Total</b>	<b>33.1</b>	<b>30.8</b>	<b>32.6</b>	<b>40.1</b>	<b>43.4</b>
<b>Other Investments</b>					
Other Investments <sup>2</sup>	6.0	5.7	4.9	2.4	1.0
<b>Total</b>	<b>6.0</b>	<b>5.7</b>	<b>4.9</b>	<b>2.4</b>	<b>1.0</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1. Based on gross amounts before deducting investment related liabilities.

2. Other Investments include absolute return strategies, internal loans, and prepaid investments.

Sources: Morningstar DBRS and Corporation documents.

**Investment Performance**

In F2025, BCI delivered an annual combined pension plan return of 10%, net of all fees, which was lower than the absolute combined return benchmark of 12.3. BCI outperformed benchmarks for all asset classes except real estate equity, public equity (excluding global public equity), and private equity, which have experienced difficult market environments. Given the long-term nature of pension clients' liabilities, it is important to measure BCI's long-term return performance against the benchmark and clients' discount rates. Over the 10-year period, BCI generated an annualized return of 7.4%, outperforming its benchmark of 7.1% (Exhibit 5). Also, the 7.4% return exceeded the pension clients' discount rates, thereby ensuring that funding status of these plans remains in surplus.

**Exhibit 5** BCI's Overall Investment Returns

	Five-Year Return	10-Year Return	For the year ended March 31				
			<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total Portfolio (%) <sup>1,2</sup>	8.9	7.4	10.0	7.5	3.5	7.4	16.5
Benchmark (%)	9.0	7.1	12.3	11.6	0.3	4.6	17.1

1. Reflect the investments of BCI's six-largest pension clients: BC Hydro Pension Plan, College Pension Plan, Municipal Pension Plan, Public Service Pension Plan, Teachers' Pension Plan, and WorkSafeBC Pension Plan.

2. Includes the impact of client currency hedging policies, where set.

Sources: Morningstar DBRS and Corporation documents.

In F2025, all asset classes contributed positively to the return, except real estate equity. Public equities, private equity, and private debt were the largest contributors to total performance (Exhibit 6).

**Exhibit 6** BCI's Annual Investment Return Performance<sup>1</sup>

Percentage	For the year ended March 31						
	2025 Return	2025 Benchmark	2025 Variance	2024 Return	2023 Return	2022 Return	2021 Return
<b>Fixed Income</b>							
Short Term	8.3	8.2	0.1	5.2	5.8	(0.3)	(4.7)
Nominal Bonds	6.9	6.6	0.3	1.9	(2.1)	(3.9)	3.0
Private Debt	10.2	6.0	4.2	13.3	4.6	7.3	10.9
Other Strategies <sup>2</sup>	4.3	-	-	5.2	3.0	0.3	0.3
Real Estate Debt	6.1	6.0	0.1	6.9	4.6	4.0	4.1
<b>Real Assets</b>							
Real Estate Equity <sup>3</sup>	(1.8)	6.8	(8.6)	(5.0)	7.2	14.9	0.2
Domestic Real Estate	-	-	-	-	-	-	-
Global Real Estate	-	-	-	-	-	-	-
Infrastructure <sup>4</sup>	8.3	6.4	1.9	7.0	9.2	12.1	7.9
Renewable Resources	-	-	-	-	-	-	-
<b>Equities</b>							
Public Equity							
Canadian Public Equity	12.6	15.8	(3.2)	14.6	(3.1)	19.0	44.5
Global Public Equity	14.3	13.7	0.6	26.5	2.3	5.7	39.1
Emerging Markets Public Equity	12.8	15.0	(2.2)	10.1	0.3	(10.6)	42.4
Private Equity <sup>3</sup>	13.4	30.1	(16.7)	6.0	4.7	29.7	24.3
<b>Portfolio<sup>1,4</sup></b>	<b>10.0</b>	<b>12.3</b>	<b>(2.3)</b>	<b>7.5</b>	<b>3.5</b>	<b>7.4</b>	<b>16.5</b>

1. Reflect the investments of BCI's six-largest pension clients: BC Hydro Pension Plan, College Pension Plan, Municipal Pension Plan, Public Service Pension Plan, Teachers' Pension Plan, and WorkSafeBC Pension Plan.

2. Other Strategies include leverage liabilities.

3. An internal rate of return methodology is used to calculate returns for infrastructure & renewable resources, private equity, and real estate equity. The assets and Benchmarks are as at December 31, 2023. Benchmarks are presented on a time-weighted rate of return basis.

4. All returns are net of all costs and fees.

Sources: Morningstar DBRS and Corporation documents.

Fixed-income results were positive, with a strong contribution from private debt, which significantly outperformed its benchmark generating a return of 10.2% versus a benchmark of 6.0%. Public equities also delivered strong results, with global public equities leading the performance with a 14.3% return, followed by emerging markets public equity and Canadian public equity delivering 12.8% and 12.6%, respectively. Infrastructure continued to outperform with a return of 8.3% against its benchmark of 6.4% based on strong cash yields and capital gains in the portfolio.

Private equity delivered a 13.4% return but underperformed its benchmark, which is based on a global equity index plus a spread, serving as a measure of opportunity cost between private and public investments. The real estate equity portfolio was the laggard in F2025 with real estate equity delivering (1.8)%, thereby underperforming its benchmark of 6.8% as it continued to face challenges because of elevated interest rates.

**Funding Status: AAA**

BCI is not responsible for the pension liabilities of the plans, though a significant shortfall could affect asset allocation, liquidity, and contributions. The largest pension clients have been fully funded for several years, indicating their long-term viability, the adequacy of the current contributions rates, and the growth prospects for the assets available to eventually repay outstanding debt. The 2021–24 actuarial valuations of plans show that the funded ratio was between 100% and 133% on a going-concern basis.

**Liabilities: AAA**

BCI has a funding program in place via repos secured by government bonds and unsecured debt issuances. During the years ended December 31, 2024, and December 31, 2023, BCI issued senior unsecured medium-term debt in respect of all assets under management that are held within the Combined Funds. The capital raised from capital market debt financing is used for general investment purposes. Since its inception, the Program has grown from managing \$9.5 billion in leverage liabilities for two clients to over \$25 billion for nine clients, consisting of \$20.4 billion in government bond repurchase agreements and \$5.25 billion in MTN issuance. The result is a financial leverage of 10.8% (only for Unsecured Debt and Repo Liabilities), which we consider strong relative to the funding program guidelines of 30% of net AUM. We view the leverage limits as conservative and expect BCI to remain well within its approved guidelines. BCI has no direct financial responsibility to fund the pension obligations of its pension clients, or to fund the financial obligations of its nonpension clients.

## ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis: Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*		
<b>Environmental</b>		<b>Overall:</b>	<b>N</b>	<b>N</b>
<b>Emissions, Effluents, and Waste</b>	Do we consider that the costs or risks for the issuer or its clients result, or could result, in changes to an issuer's financial, operational, and/or reputational standing?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Carbon and GHG Costs</b>	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs and/or will such costs increase over time affecting the long-term credit profile?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Land Impact and Biodiversity</b>	Is there a financial risk to the issuer due to the loss of biodiversity and/or the mitigation of such loss, including land conversion and rehabilitation?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Climate and Weather Risks</b>	In the near term, will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	<b>N</b>	<b>N</b>	<b>N</b>
	In the long term, will the issuer's or clients' business activities and infrastructure be materially affected financially by physical and/or transition risks under key IPCC climate scenarios?	<b>N</b>	<b>N</b>	<b>N</b>
		<b>Climate and Weather Risks</b>	<b>N</b>	<b>N</b>
<b>Passed-through Environmental credit considerations</b>	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Social</b>		<b>Overall:</b>	<b>N</b>	<b>N</b>
<b>Social Impact of Products and Services</b>	Do we consider that the social impact of the issuer's products and services pose a financial or regulatory risk to the issuer?	<b>N</b>	<b>N</b>	<b>N</b>
	Do changes in consumer behaviour or secular social trends pose a financial or regulatory risk to the issuer?	<b>N</b>	<b>N</b>	<b>N</b>
		<b>Social Impact of Products and Services</b>	<b>N</b>	<b>N</b>
<b>Human Capital and Human Rights</b>	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts, that could result in a material financial or operational impact?	<b>N</b>	<b>N</b>	<b>N</b>
	Do violations of rights create a potential liability that can negatively affect the issuer's financial wellbeing or reputation?	<b>N</b>	<b>N</b>	<b>N</b>
		<b>Human Capital and Human Rights</b>	<b>N</b>	<b>N</b>
<b>Product Governance</b>	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Data Privacy and Security</b>	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could it result, in financial penalties or client attrition to the issuer?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Community Relations</b>	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Access to Basic Services</b>	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Passed-through Social credit considerations</b>	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Governance</b>		<b>Overall:</b>	<b>N</b>	<b>N</b>
<b>Bribery, Corruption, and Political Risks</b>	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	<b>N</b>	<b>N</b>	<b>N</b>
	Are there any political risks that could affect the issuer's financial position or its reputation?	<b>N</b>	<b>N</b>	<b>N</b>
		<b>Bribery, Corruption, and Political Risks</b>	<b>N</b>	<b>N</b>
<b>Business Ethics</b>	Do general professional ethics pose a financial or reputational risk to the issuer?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Corporate / Transaction Governance</b>	Does the issuer's corporate structure allow for appropriate board and audit independence?	<b>N</b>	<b>N</b>	<b>N</b>
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	<b>N</b>	<b>N</b>	<b>N</b>
	Does the board and/or management lack a formal framework to assess climate related financial risks to the issuer?	<b>N</b>	<b>N</b>	<b>N</b>
		<b>Corporate / Transaction Governance</b>	<b>N</b>	<b>N</b>
<b>Passed-through Governance credit considerations</b>	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	<b>N</b>	<b>N</b>	<b>N</b>
<b>Consolidated ESG Criteria Output:</b>		<b>N</b>	<b>N</b>	<b>N</b>

\* A Relevant Effect means that the impact of the applicable ESG Factors has not changed the rating or rating trend on the issuer.

A Significant Effect means that the impact of the applicable ESG Factors has changed the rating or trend on the issuer.

## **ESG Considerations**

### **Environmental**

BCI is an investment management company, so Environmental factors do not affect the credit ratings or trends assigned to BCI or its MTN. BCI does not directly provide investment management services or sell any product that contribute to the emissions of carbon or greenhouse gases. Any impact from exposure to climate and weather risks is expected to be indirect in nature. As part of its clients and community impact initiatives, BCI aims to have a positive environmental and climate influence in addition to efforts already made to reduce the environmental impact of its operations.

### **Social**

Governance and data privacy and security are important considerations for BCI. However, these factors did not have an impact on the assigned credit ratings or trends. There have been no reported cases of governance or data breaches. While BCI has not faced any issues with data breaches, future breaches or security failures could damage BCI's reputation and risk profile. Failures related to data privacy and security could also lead to future expenses, given BCI's exposure to sensitive client information.

### **Governance**

This factor does not affect the credit ratings or trends assigned to BCI. There have been no reported cases of failures in governance as they relate to the Corporation in the past. BCI has various board committees with complementary roles and responsibilities. These committees provide corporate governance oversight to the executive leadership. The board of directors consists of seven individuals including an independent chair. The board has overall responsibility for oversight of the Corporation's risk management framework and provides an adequate independent corporate governance oversight, including climate-related risks. PSPPA Act precludes BCI's board and the Province from being involved in BCI's investment decisions and business operations, which are managed by CIO/CEO.

### Credit Rating Methodologies

The applicable methodologies are the *Canadian Methodology for Rating Public Pension Funds & Exclusive Asset Managers* (June 3, 2025) and *Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings* (May 16, 2025), which can be found on [dbrs.morningstar.com](https://dbrs.morningstar.com) under Methodologies & Criteria.

### Credit Ratings

Issuer	Obligation	Credit Rating	Credit Rating Action	Trend
British Columbia Investment Management Corporation	Issuer Rating	AAA	Confirmed	Stable
British Columbia Investment Management Corporation	Medium Term Notes	AAA	Confirmed	Stable

### Credit Ratings History

	Current	2024	2023
<b>British Columbia Investment Management Corporation</b>			
Issuer Rating	AAA	AAA	AAA
Medium-Term Notes	AAA	AAA	AAA

### Previous Actions

- ["Morningstar DBRS Confirms British Columbia Investment Management Corporation at AAA, Stable Trends"](#) September 10, 2024
- ["DBRS Morningstar Finalizes Provisional Rating on the Medium-Term Notes of British Columbia Investment Management Corporation"](#) October 26, 2023.
- ["DBRS Morningstar Assigns Provisional Rating of AAA to British Columbia Investment Management Corporation's Medium-Term Notes"](#) October 10, 2023.
- ["DBRS Morningstar Assigns Issuer Rating of AAA to British Columbia Investment Management Corporation"](#) October 10, 2023.

### Related Research

- [Sustained Demand for Pension Risk Transfer Deals Despite Member Concerns and Regulatory Scrutiny](#), July 7, 2025
- [Weakness in Real Estate Assets Persists as Canadian Pension Funds Deliver Weak Returns in H1 2024](#), August 27, 2024
- [Potential Implications of an Alberta Pension Plan for CPP Investments](#), September 26, 2023
- [Resilience of Large Canadian Public Pension Funds in the Wake of Thames Water Turmoil](#), July 5, 2023
- [DBRS Morningstar-Rated Canadian Public Pension Funds Hold No Material Exposures to Credit Suisse, SVB, or Signature Bank](#), March 24, 2023

### **Previous Reports**

- British Columbia Investment Management Corporation: [Rating Report](#), October 2, 2024.
- British Columbia Investment Management Corporation: [Rating Report](#), October 26, 2023.
- British Columbia Investment Management Corporation: [Rating Report](#), October 10, 2023.

Notes:

All figures are in Canadian dollars unless otherwise noted.

### About Morningstar DBRS

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We rate more than 4,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

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