



BCI FUNDING PROGRAM

# Debt Investor Presentation

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March 31, 2025

# BCI in Brief

## One of the World's Largest Public Sector Asset Managers

- Created under a Provincial act, British Columbia Investment Management Corporation (BCI) is owned by the Province of British Columbia and supported by mature founding legislation
- BCI provides investment management services to public sector pension plans, insurance funds, and other entities that serve the public interest.

## No Pension Liabilities

- BCI is exclusively an investment manager and is not responsible for its clients' pension or other liabilities

## Legislated Independence and Control of Investment Activities

- CEO/CIO has legislated independent authority over investment decisions

## History of Strong Operating and Investment Performance

- 7.4% 10-year annualized rate of return

## Substantial Assets Under Management (AUM)

- C\$251.6 billion of net AUM
- Assets are invested in a broad range of asset classes worldwide

## Robust Debt Program Support

- BCI's debt obligations are directly backed by its investment assets
- Client withdrawals are subject to BCI satisfying its existing commitments, including debt obligations

## Significant Liquidity and Prudent Use of Leverage

- Government bonds represent 26% of net assets
- Financial leverage is 10% of net AUM (predominantly in the form of collateralized repo)
- Maximum permitted financial leverage is 30% of net AUM. Unsecured debt is capped at 15% of Combined Funds net AUM

## BCI's Long-term Credit Ratings

MOODY'S

Aaa

STANDARD  
& POOR'S

AA+

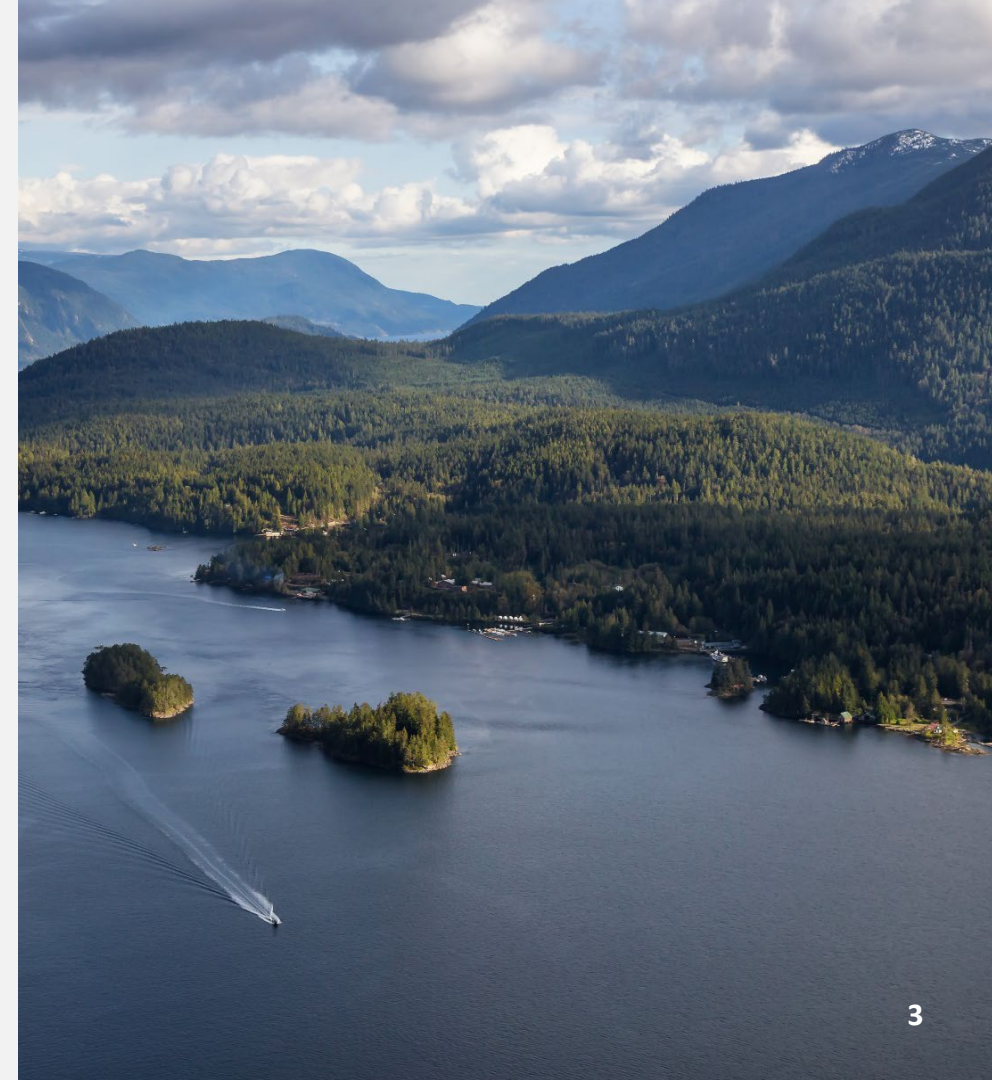


AAA

A credit rating is not a recommendation to buy, sell or hold a security and may be subject to revisions or withdrawal at any time.

# Agenda

- 01 Who We Are
- 02 Our Clients
- 03 Performance & Asset Mix
- 04 Funding Program
- 05 ESG & Responsible Investing



01  
Who We Are



# Who We Are

**BCI is one of the world's largest public sector asset managers**

**C\$251.6 billion of net assets under management**

**Stable, diverse and well-funded clients**

- Over 96% of assets are managed for 10 public sector pension funds and 3 insurance funds
- All pension clients are surplus funded

**Public sector asset manager with no pension liabilities**

**Legislated independence and control of investments**

- CEO/CIO has legislated independent authority over investment decisions
- Client withdrawal rights are subject to BCI satisfying its existing commitments, including debt obligations

## **Strategic Advantages**

- Long-term investment focus
- Significant scale and asset diversification
- Stable legislative framework and strong governance

## **Global Reach**

- Investments in six continents
- Offices in Victoria, Vancouver, New York, and London

## **ESG Commitment**

- ESG integration and expertise across all asset classes
- Supporting risk mitigation and value creation

## **Robust Risk and Liquidity Management Practices**

- Legislated risk-management requirements
- Third-party-reviewed liquidity-management practices



# Governance

## BCI is a Public Sector Asset Manager Owned by the Province of British Columbia

- BCI was established in 1999 pursuant to the BC Public Sector Pension Plans Act (PSPPA)
- The majority of assets under management are held in Pooled Investment Portfolios (“Funds”) pursuant to the PSPPA and associated regulations

## Control of Assets Under Management

- BCI owns and controls the assets in its Funds
- BCI has authority to rebalance assets between its Funds to meet its obligations
- Client withdrawals are subject to BCI satisfying its existing commitments, including debt obligations

## Legislated Independence

- CEO/CIO has authority over investment decisions (PSPPA, s.21)
- Seven-member board: four client appointees and three government appointees, two of which are representative of other clients (PSPPA, s.19)
- The Government of British Columbia and BCI’s Board are precluded from involvement in investment decisions (PSPPA, s.20(5))
- The Government of British Columbia does not guarantee BCI’s obligations



02  
Our Clients

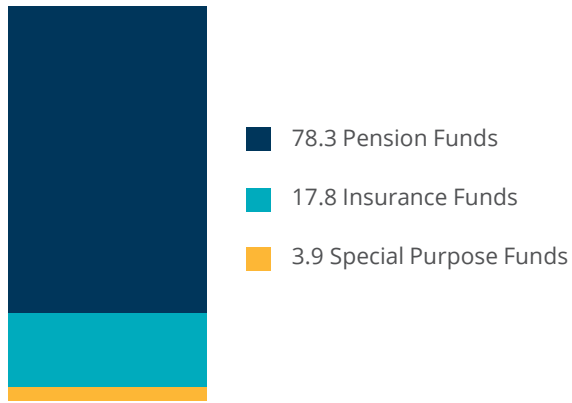


# Our Clients

BCI makes investment decisions that secure the financial futures for over **778,000** pension plan beneficiaries, **2.7 million** British Columbia workers, and **3.7 million** Autoplan holders.

## Client Profile (%)

As at March 31, 2025 <sup>1</sup>



<sup>1</sup> Percentage based on net assets.

## Pension Funds

- BC Hydro and Power Authority Pension Plan
- British Columbia Railway Company
- College Pension Plan
- Insurance Corporation of British Columbia
- Municipal Pension Plan
- Public Service Pension Plan
- Teachers' Pension Plan
- University of Victoria Combination & Money Purchase Pension Plans
- University of Victoria Staff Pension Plan
- WorkSafeBC Pension Plan

## Insurance Funds

- Credit Union Deposit Insurance Corporation of British Columbia
- Insurance Corporation of British Columbia
- WorkSafeBC Accident Fund

## Special Purpose Funds

- 2010 Games Operating Trust
- 94 Forward Society
- BC Assessment Authority
- BC Housing
- BC Hydro and Power Authority
- BC Pension Corporation
- BC Transportation Financing Authority
- British Columbia Railway Company

- Columbia Basin Trust
- Healthcare Investment Unit Trust
- Innovate BC
- Municipal Retiree Benefit Trust
- Northern Develop Initiative Trust
- Province of British Columbia
- Public Education Benefits Trust
- The Four Pillars Society as trustee for the Band Class Trust Fund



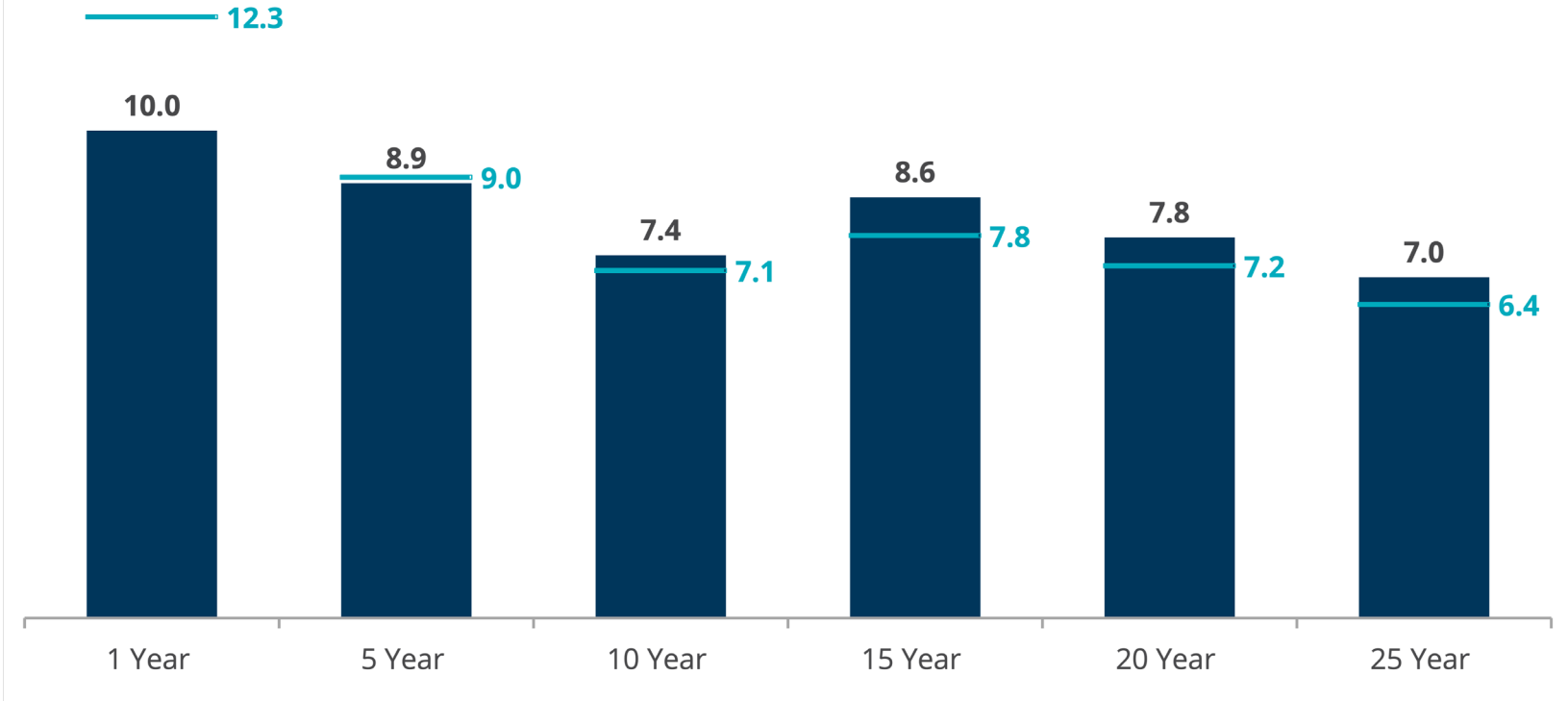
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## Performance & Asset Mix



# Annualized Pension Returns<sup>1, 2</sup> (%)

BCI's combined pension plan clients performance (%) Annualized returns **Portfolio** | **Benchmark**

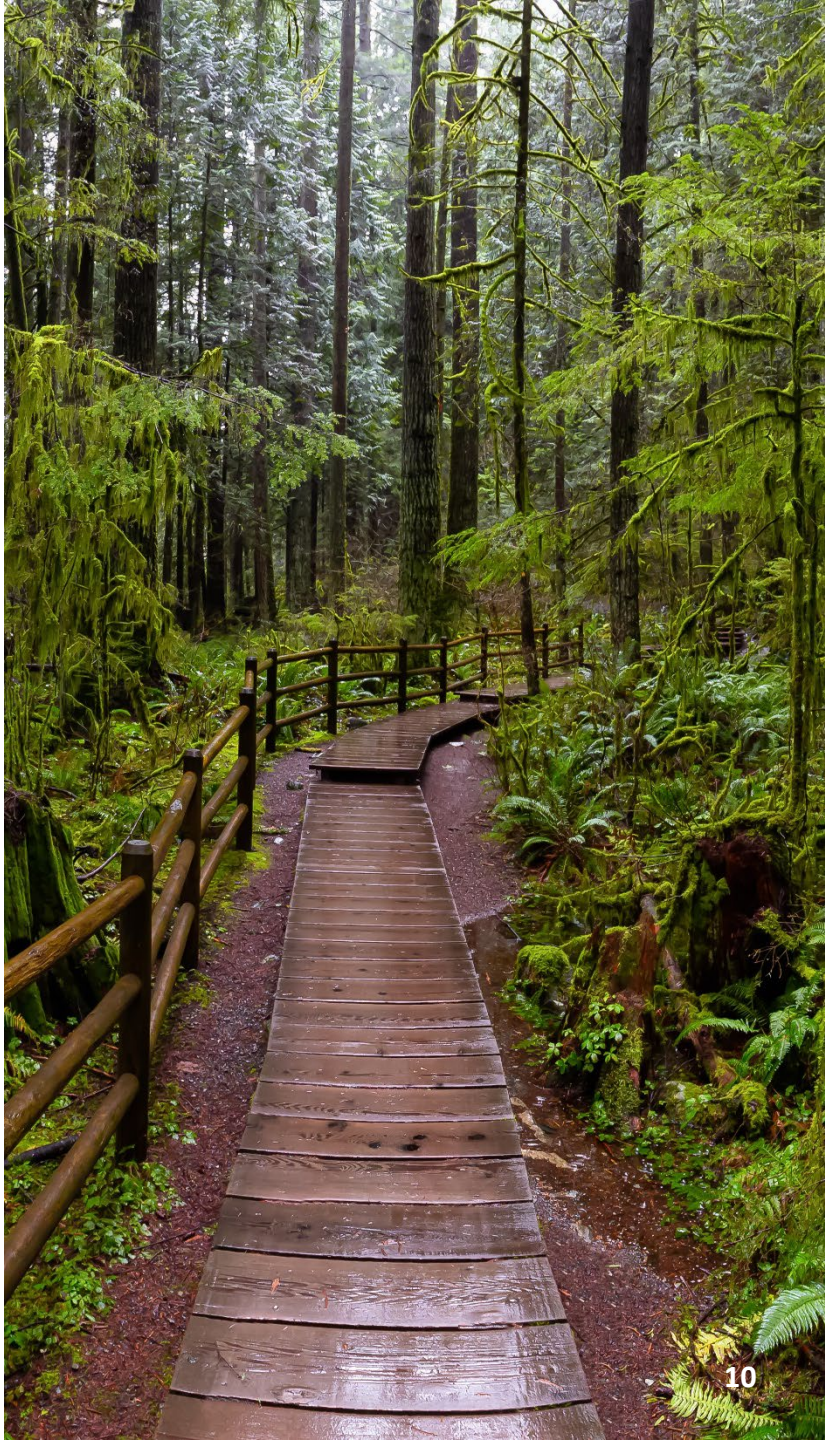


## Benchmark<sup>3</sup>

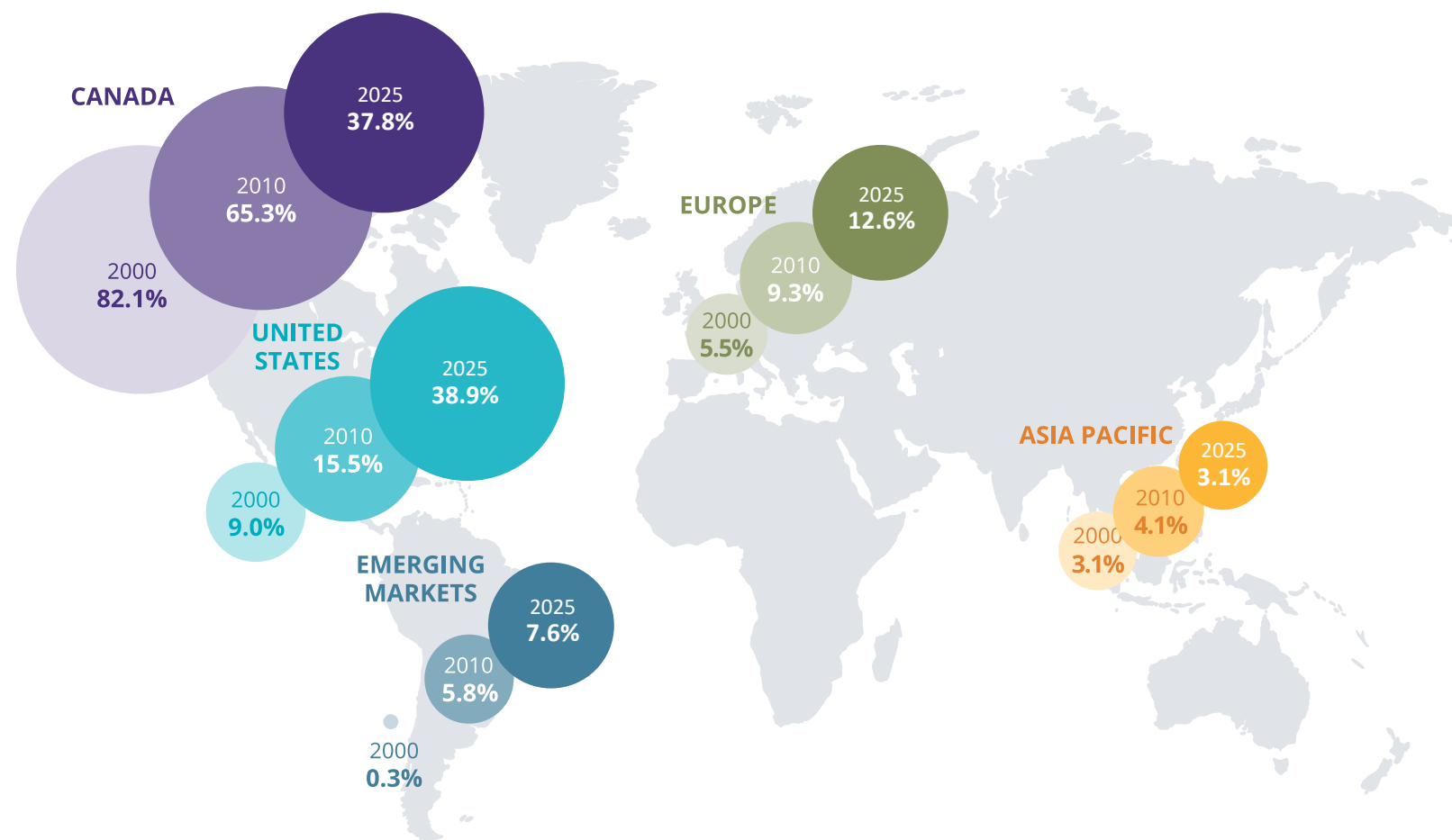
<sup>1</sup> Reflects the investment returns of BCI's six largest pension clients: BC Hydro and Power Authority Pension Plan; College Pension Plan; Municipal Pension Plan; Public Service Pension Plan; Teachers' Pension Plan; and WorkSafeBC Pension Plan.

<sup>2</sup> Includes the impact of centralized currency management program, where set.

<sup>3</sup> Benchmark is a blend of BCI's six largest pension clients' benchmarks as defined in their Statements of Investment Policies and Procedures.



# Gross Asset Mix: Increased Diversification

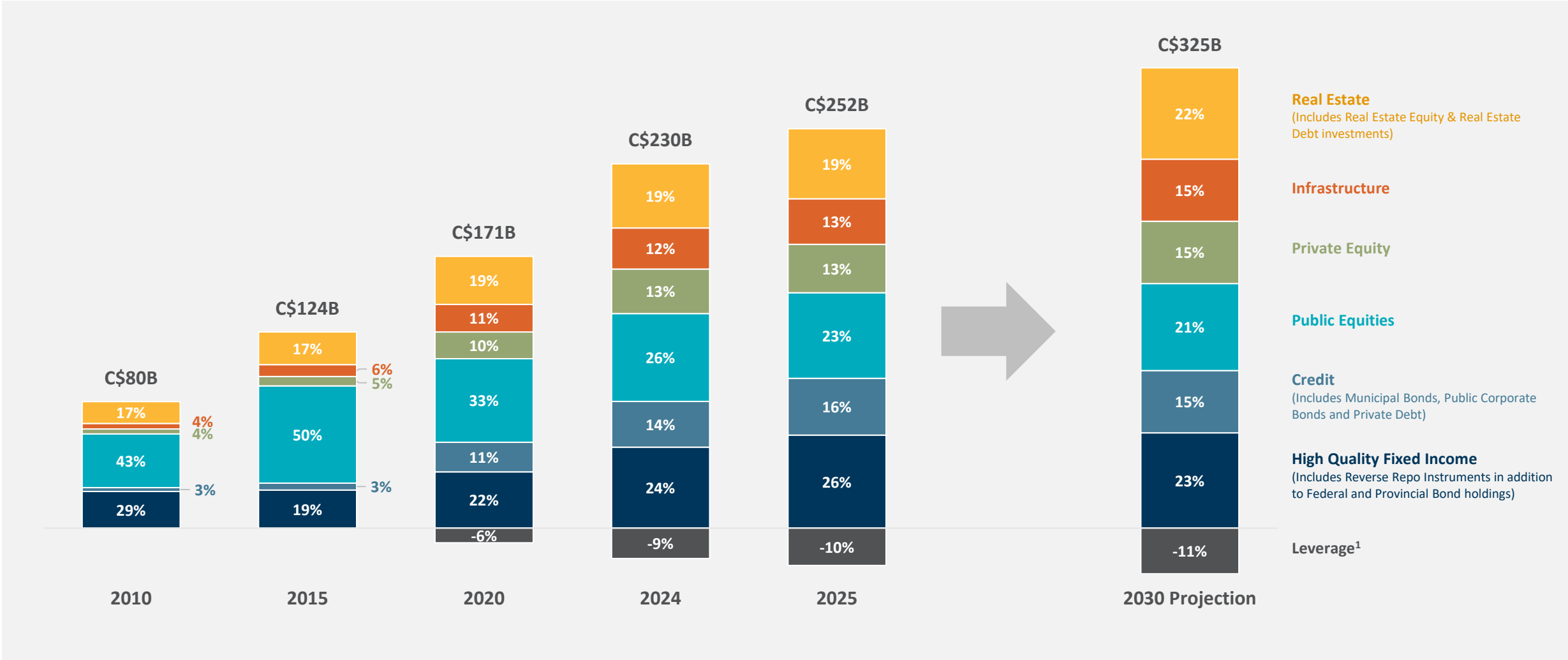


## ASSET CLASS PER REGION

	CANADA	U.S.	EMERGING MARKETS	EUROPE	ASIA
Real Estate	40.7%	40.3%	0.0%	14.1%	4.9%
Infrastructure	9.2%	36.8%	24.5%	21.2%	8.3%
Private Equity	1.1%	51.2%	3.5%	32.7%	11.5%
Public Equities	9.1%	58.3%	14.4%	13.3%	4.9%
Credit	14.9%	72.7%	0.8%	11.4%	0.3%
High Quality Fixed Income	98.3%	1.7%	0.0%	0.0%	0.0%

Values may not add up to 100 per cent due to rounding.

# Asset Mix & Net AUM



<sup>1</sup> The projection to 2030 is based on aggregate client long-term strategic asset allocation targets as at September 2023 with projected net contributions and investment returns. See Legal Notices at the back of this presentation. Bond holder recourse under debt offerings currently excludes real estate due to QuadReal's separate debt program. BCI maintains ownership and control of the assets in its real estate Funds.

# Robust Risk Management

## Board-approved policies governing:

### Investment Risk Management

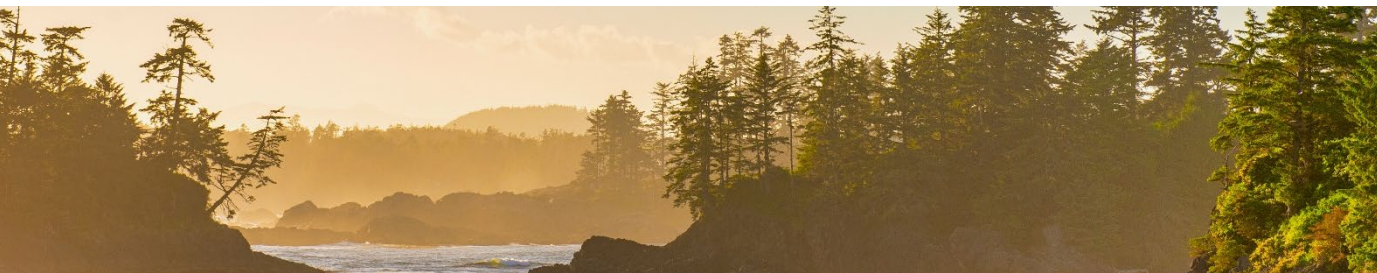
- Client funding and contribution
- Concentration
- Counterparty
- Credit
- ESG
- Leverage
- Liquidity
- Market

### Enterprise Risk Management

- Identifying, assessing, monitoring and reporting on key business and operational risks
- Capturing and reviewing risk events
- Managing a comprehensive insurance program
- Coordinating crisis-management activities

## BCI's risk management framework

- Established by the BCI Board and overseen by the
  - CEO/CIO-chaired Investment Risk Committee
  - COO-chaired Enterprise Risk Committee
- **Investment Strategy & Risk Department** reports to the CEO/CIO
- **Return targets are risk adjusted**, embedding a risk lens into BCI's investment process
- Liquidity risk management is effected through **a liquidity coverage ratio (LCR) framework**, incorporating stress-testing and contingencies
- **Independent third-party validation of risk management** functions to ensure compliance with policies and best practices



# 04 Funding Program



# Funding Program

BCI accesses debt markets to support the investment objectives of our clients, providing for broader portfolio diversification, an improved risk-adjusted investment profile and enhanced liquidity.

**BCI's Long-term  
Credit Ratings**

**MOODY'S**  
Aaa

**STANDARD  
& POOR'S**  
AA+

**DBRS**  
AAA

## Funding Program

- C\$20.5 billion of repo funding and C\$5.25 billion of unsecured debt funding
- Targeting an equal balance between repo and unsecured debt over a longer time horizon through steady growth in MTN issuance
- Governance limits unsecured debt to a maximum of 15% of Combined Funds net AUM

## Senior Unsecured Debt

- Focused on C\$ issuance as we continue to develop a Canadian dollar curve out to ten years
- Prepared to issue up to three C\$1.0 bn-1.5bn offerings per year, using re-openings to develop benchmark size bonds

## Term Debt Issued by Canadian Public Sector Asset Managers Qualifies for Inclusion in Prominent Bond Indices such as:

- FTSE Canada Universe
- Bloomberg Canada Aggregate
- ICE BofA Canada Broad Market
- Morningstar Canada Core



# Issuance Structure

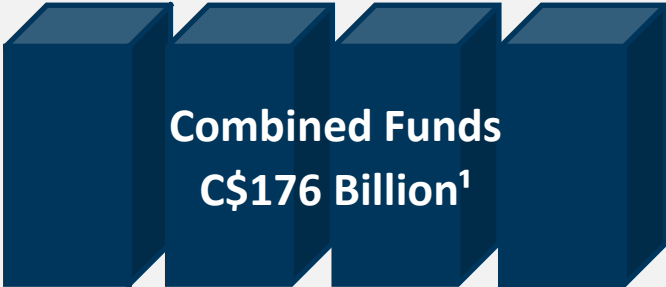
## BCI Clients

Client Fund Management Agreements appoint BCI as investment agent

Client withdrawals are subject to BCI satisfying its existing commitments, including debt obligations



BCI owns and controls its Funds' assets



*Combined Funds currently exclude real estate Funds due to QuadReal's separate debt program. BCI retains ownership and control of assets in its real estate Funds.*

## Debt Issuance

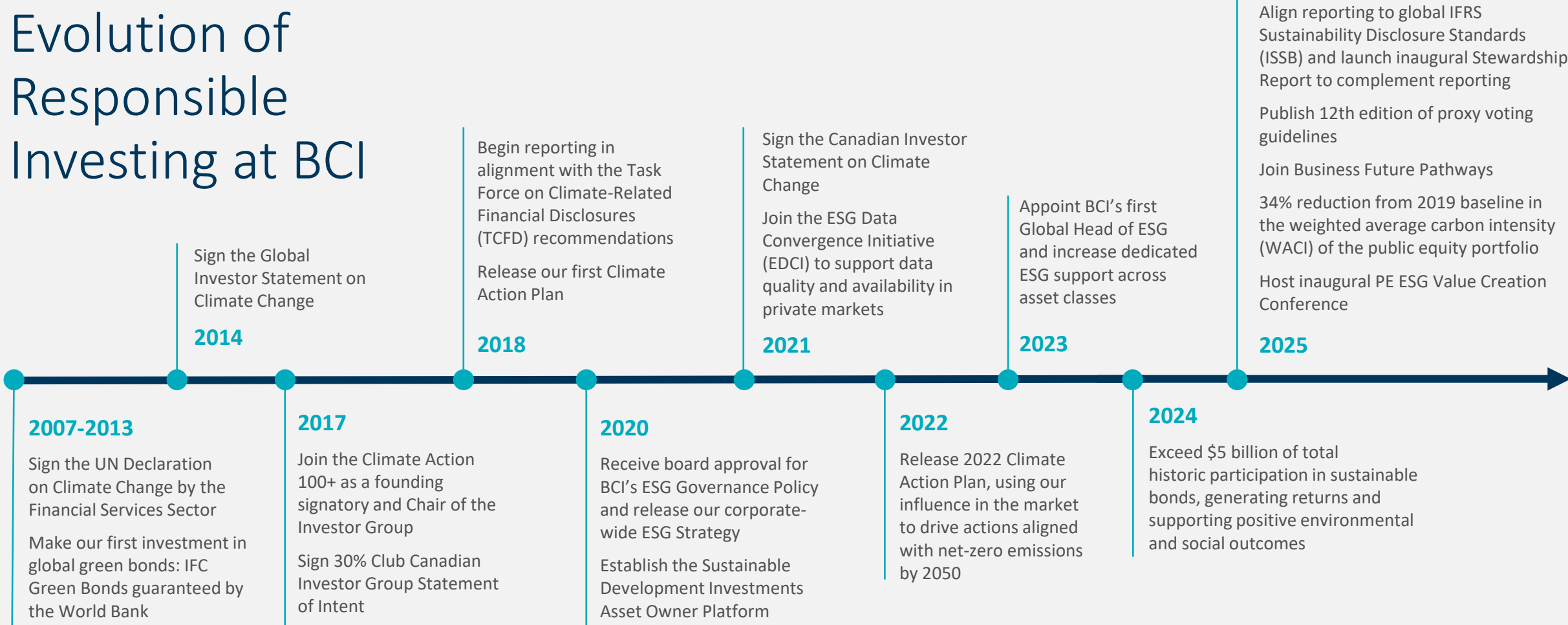
Issuer: BCI in respect of the assets of the Combined Funds

<sup>1</sup> As at December 31, 2024

05  
ESG &  
Responsible Investing



# Evolution of Responsible Investing at BCI



## Achieved

a score of 100% in the Global SWF's 2024 & 2025 GSR Scoreboard — a comprehensive evaluation of the governance, sustainability, and resilience practices of global sovereign wealth funds and pension funds

## Recognized

for our innovative ESG Risk and Opportunity Framework with a Responsible Investment Association Leadership Award for Integration and Principles for Responsible Investment case study

## Earned

top spot in the Global Pension Transparency Benchmark with a score of 90+ overall & a score of 97 for ESG

# ESG Strategy

## An integral part of our responsibility to invest and manage our client funds

BCI's corporate-wide, four pillar ESG Strategy ensures consistency across all asset classes to address the issues most material to our clients' investments

### INTEGRATE

BCI integrates ESG analysis and risk management in all investment processes, from supporting clients' asset-allocation decisions to individual investment decisions within our portfolios

### INVEST

BCI actively seeks opportunities to invest in ESG-themed investments that contribute to improved long-term outcomes for clients and reinforce our investment beliefs



### INFLUENCE

Through engagement and advocacy, BCI applies its influence on companies in which we invest, our partners, and other participants in capital markets

### INSIGHT

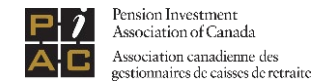
BCI uses its learnings across all ESG activities, as well as its understanding of emerging trends, to generate insights that help us continuously adapt and improve our strategies, processes, and approaches

Learn more about BCI's ESG Strategy at:

[www.BCI.ca/ESG](http://www.BCI.ca/ESG)

## Collaboration

Working with like-minded investors and organizations to strengthen our collective influence



# Climate Action Plan

## Collaboration



## Creating and preserving financial value through the transition to a low-carbon economy

BCI is committed to using our influence to drive actions aligned with the global goal of achieving net-zero greenhouse gas emissions by 2050

Ensure at least **80% of BCI's carbon-intensive investments<sup>1</sup>** have set **mature net-zero aligned commitments by 2030**, or are the subject of direct or collaborative climate engagement by BCI

Continue to track and report the **total portfolio carbon footprint** with the expectation that it will decrease over time

Measure physical risk exposure across portfolio via **physical climate risk tool**

Realized a **56% reduction** in total portfolio footprint since 2019

Learn more about BCI's climate-related disclosures in our [Corporate Annual Report](#).



Further integrate **climate stress testing** into investment decisions and monitor the total portfolio's climate change stress-test outcomes

Pursue meaningful **investments in climate solutions** through specific actions **in all asset classes** such as amount invested as defined by Sustainable Development Investments Asset Owner Platform taxonomy, green bond taxonomy, green building certification, and climate-themed investment strategies

**C\$6.4 billion** of total cumulative participation in **sustainable bonds**

**C\$12.1 billion** invested in climate opportunities

<sup>1</sup> BCI's carbon-intensive investments are defined as the companies that make up over 80% of BCI's carbon footprint. Currently, there are approximately 164 companies that meet this definition.

# Thank you

## BCI FUNDING PROGRAM

[www.bci.ca/investments-performance/funding-program/](http://www.bci.ca/investments-performance/funding-program/)



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