



ANNUAL REPORT

25 YEARS OF  
INVESTING  
THAT MATTERS

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This document is prepared in accordance with Section 20(2)(e)(v) of the British Columbia's *Public Sector Pension Plans Act* for the Honourable Minister of Finance. The purpose of this report is to communicate the investment performance, strategy, operational activities, and governance of BCI for the fiscal year ended March 31, 2025. The report includes Management's Discussion & Analysis, Compensation Discussion & Analysis, Annual Climate-related Disclosures, and Corporate Financial Statements.

Unless otherwise stated, all figures are as at March 31, 2025, and in Canadian dollars.

The pooled fund financial statements for December 31, 2024, are available [here](#).

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# BCi | 25 YEARS Celebrating a Quarter of a Century

In 2000, the British Columbia Investment Management Corporation (BCI) was established by the provincial government with a mission to protect the pensions of the hard-working people of British Columbia.

From humble beginnings, BCI has become one of Canada’s largest institutional investors, growing from \$61 billion in net assets under management on behalf of four British Columbia public sector pension plans in our first year to \$295 billion in gross assets under management today.

Headquartered in Victoria, British Columbia’s capital city, with a global reach, BCI now manages investments for 32 clients, including pension funds, insurance funds, and special purpose funds. Investment returns generated by BCI help fund pension benefits, support affordable insurance premiums, finance government programs in arts, sports, training, and sustainable development, and support language, culture, heritage, and wellness initiatives in Indigenous communities.

### FOUNDING CLIENTS



## Delivering on Our Vision

Throughout the past 25 years of growth, our commitment to our clients and to British Columbia has remained steadfast, as has our long-term vision: to partner with clients to secure financial futures in a changing world.

BCI proudly delivers on its purpose by generating:

# \$9.3 Billion

25 YEAR VALUE ADD

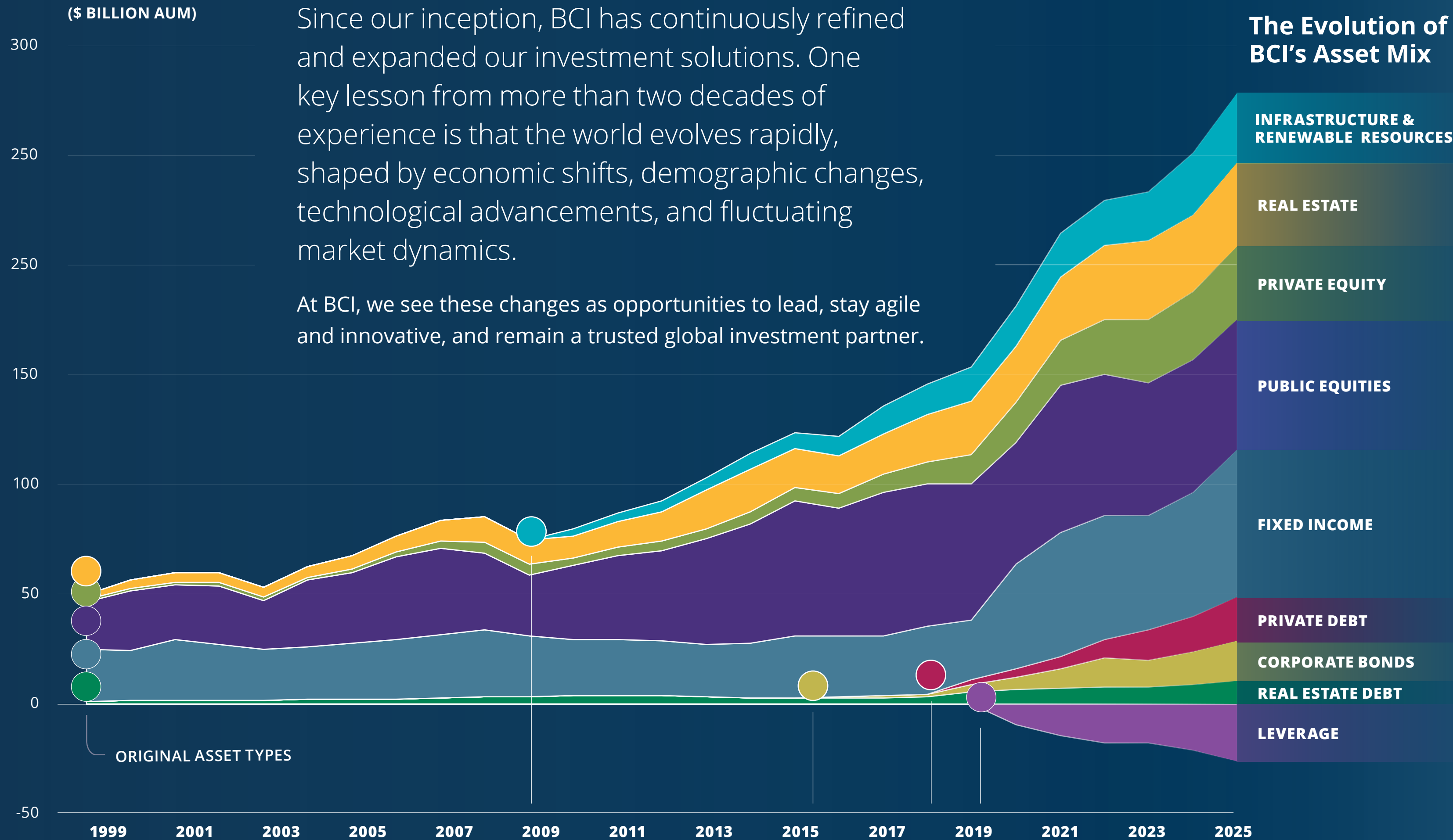
# 7.0%

25 YEAR ANNUALIZED RETURN





# BCi | 25 YEARS Evolving Investment Solutions



Since our inception, BCI has continuously refined and expanded our investment solutions. One key lesson from more than two decades of experience is that the world evolves rapidly, shaped by economic shifts, demographic changes, technological advancements, and fluctuating market dynamics.

At BCI, we see these changes as opportunities to lead, stay agile and innovative, and remain a trusted global investment partner.

Our clients' strategies have evolved and so has BCI's approach. Over the last decade, we increased our internally managed assets from 57 per cent to 84 per cent. This shift allows us to access top investment opportunities for our clients, saving them \$2.8 billion in fees since 2016. By internalizing asset management, we enhanced our ability to secure and oversee private investments and close deals efficiently, giving our team greater control, often with board representation, to create value.

Through our evolution, we have introduced new investment options, including corporate bonds, private debt, absolute return strategies, The Funding Program, and broader diversification across Infrastructure & Renewable Resources, Private Equity, and Real Estate. As a result, BCI now has a diversified asset mix, strengthening our ability to generate consistent, long-term risk-adjusted returns. Most importantly, these advances provide clients with more tailored portfolios to achieve their investment goals.

To demonstrate how our strategies have grown and adapted to dynamic markets and shifting clients' needs, each asset class commentary this year features an **Investment Lookback**, showcasing a notable investment from the program's history and highlighting its contributions to our long-term success.



# Clients First – Yesterday, Today, and Tomorrow

Through our pension and insurance clients, BCI contributed to the disbursement of \$5.8 billion to 236,000 retirees, \$2.1 billion to workers, and \$5.6 billion to AutoPlan insurance holders in 2024, creating lasting economic benefits<sup>1</sup>.

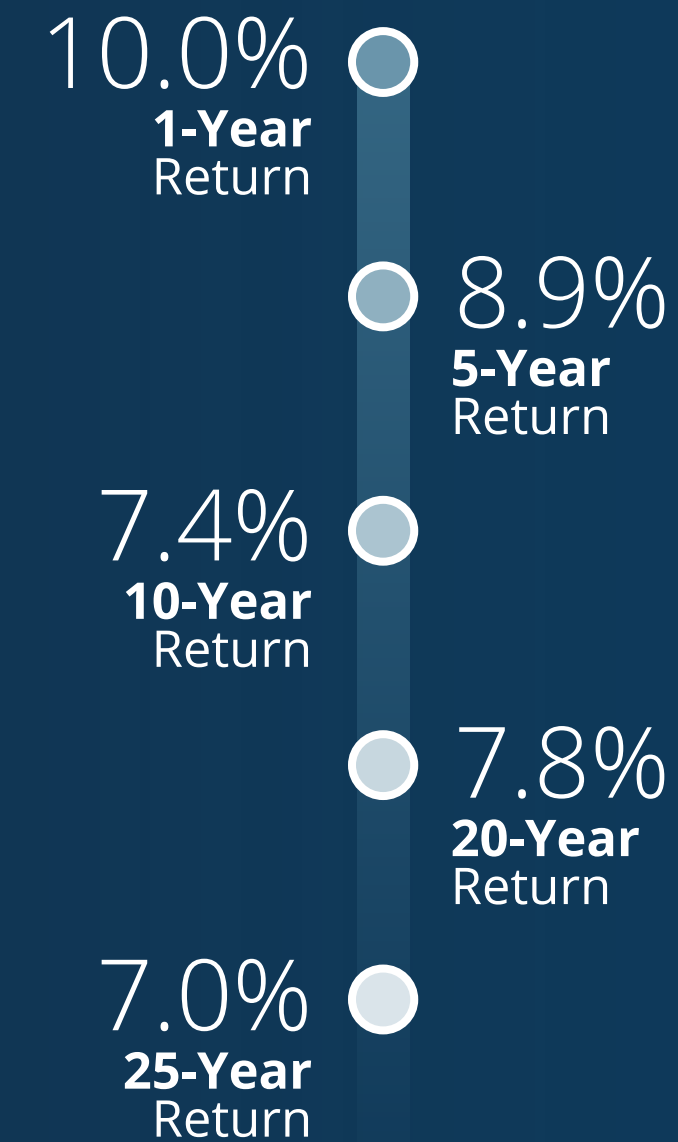
From the beginning, BCI has always put clients first. It is the foundation of our corporate values and is at the core of each decision we make. Our clients are diverse and have different investment needs, risk appetites, and values.

We focus on understanding each client’s individual requirements, determining suitable investment strategies, and executing them effectively to ensure their long-term goals are met.

Pension funds comprise our largest client group and account for \$197.1 billion of net assets under management. Our insurance clients account for \$44.8 billion of net assets and special purpose funds, which include public trusts, endowments and an Indigenous settlement fund, account for \$9.7 billion of net assets.

This year, we were honoured to be selected by **The Four Pillars Society** as an investment manager, supporting their mission to advance the language, culture, heritage, and wellness of 325 Band Class members across Canada. This milestone partnership represents our first client mandate that benefits groups nationally and highlights our 25 year evolution into a world-class in-house asset manager with a highly diversified, global portfolio.

## Annualized Returns for BCI’s Combined Pension Plan Clients



## Client Profile Based on Assets Under Management (%)



# \$14.1 Billion

BCI Disbursed to Clients in F2025



# Operating From a **Position of Strength** in an Uncertain Market

Thanks to 25 years of building a world-class team and cultivating a disciplined approach to asset allocation and liquidity management, **BCI was well-positioned to navigate the year’s market challenges** and act decisively. We leveraged our competitive advantages to continue our selective and opportunistic approach to pursuing high-quality investments for long-term growth.

This fiscal year, geopolitical instability, trade tensions, and central banks’ monetary policy continued to shape the global economy and look poised to be mainstays into the future. In this environment, BCI’s strategic focus on liquidity management and disciplined approach to capital preservation and deployment ensure we can navigate various economic environments effectively and make sound investment decisions.

After peaking last year, several developed market central banks began to cut interest rates in the first half of the fiscal year, and expectations for the magnitude of cuts

over the subsequent 12-24 months swung wildly. However, through it all, public equities marched higher with relatively little volatility, credit spreads between government and corporate bonds tightened to near-record levels, and risk-taking was rewarded. The only downside to a tremendous year for equities was that rising valuations drove most of the returns this year by climbing even higher from already expensive levels.

Although private market deal and exit activity levels remained low, they showed modest signs of improvement late in 2024. We are expecting a gradual recovery of deal and exit activity to begin towards the end of this calendar year, with a significant backlog of companies awaiting exits. Overallocated institutional investors continue to pressure general partners to generate distributions to help secure new fundraising commitments. BCI continues to prioritize improving company performance within our existing portfolio and expanding our internal capabilities to create value.

On the real estate front, markets have continued to be under pressure from elevated interest rates and shifting sentiment. However, there have been signs, at least on the sentiment side, that we are reaching a more positive inflection point.

BCI’s Assets Under Management (AUM)	(\$ Billion)	(%)
<b>PUBLIC MARKETS</b>		
Fixed Income	84.6	33.6
Public Equities	59.5	23.6
Other Strategies <sup>1</sup>	1.2	0.5
<b>PRIVATE MARKETS</b>		
Real Estate Equity	51.8	20.6
Private Equity	33.6	13.3
Infrastructure & Renewable Resources	32.2	12.8
Private Debt	20.0	7.9
Real Estate Debt	12.1	4.8
<b>TOTAL GROSS AUM</b>	<b>295.0</b>	<b>117.2</b>
Funding Program	(25.7)	(10.2)
Other Leverage <sup>2</sup>	(17.6)	(7.0)
<b>TOTAL NET AUM</b>	<b>251.6</b>	<b>100.0</b>



# Local Purpose, Global Approach

Since inception in 2000, BCI's ecosystem has been a significant supporter of British Columbia's economy.

BCI ecosystem activities<sup>1</sup> contributed \$24.4 billion to the province's GDP, making up 5.9 per cent of its economy. Our activities also supported 225,800 jobs in the province and another 8,000 jobs nationwide, accounting for \$12.2 billion in wages and benefiting workers of all ages.

It also meaningfully contributes to government revenues, generating \$2.5 billion in tax revenue for the provincial government and \$3.8 billion for the federal government.

## \$24.4 Billion

**BCI ECOSYSTEM CONTRIBUTION TO BRITISH COLUMBIA GDP IN F2024**



### GLOBAL DISTRIBUTION OF GROSS ASSETS UNDER MANAGEMENT

## Committed to **Canada**

### GROSS ASSETS INVESTED IN CANADA

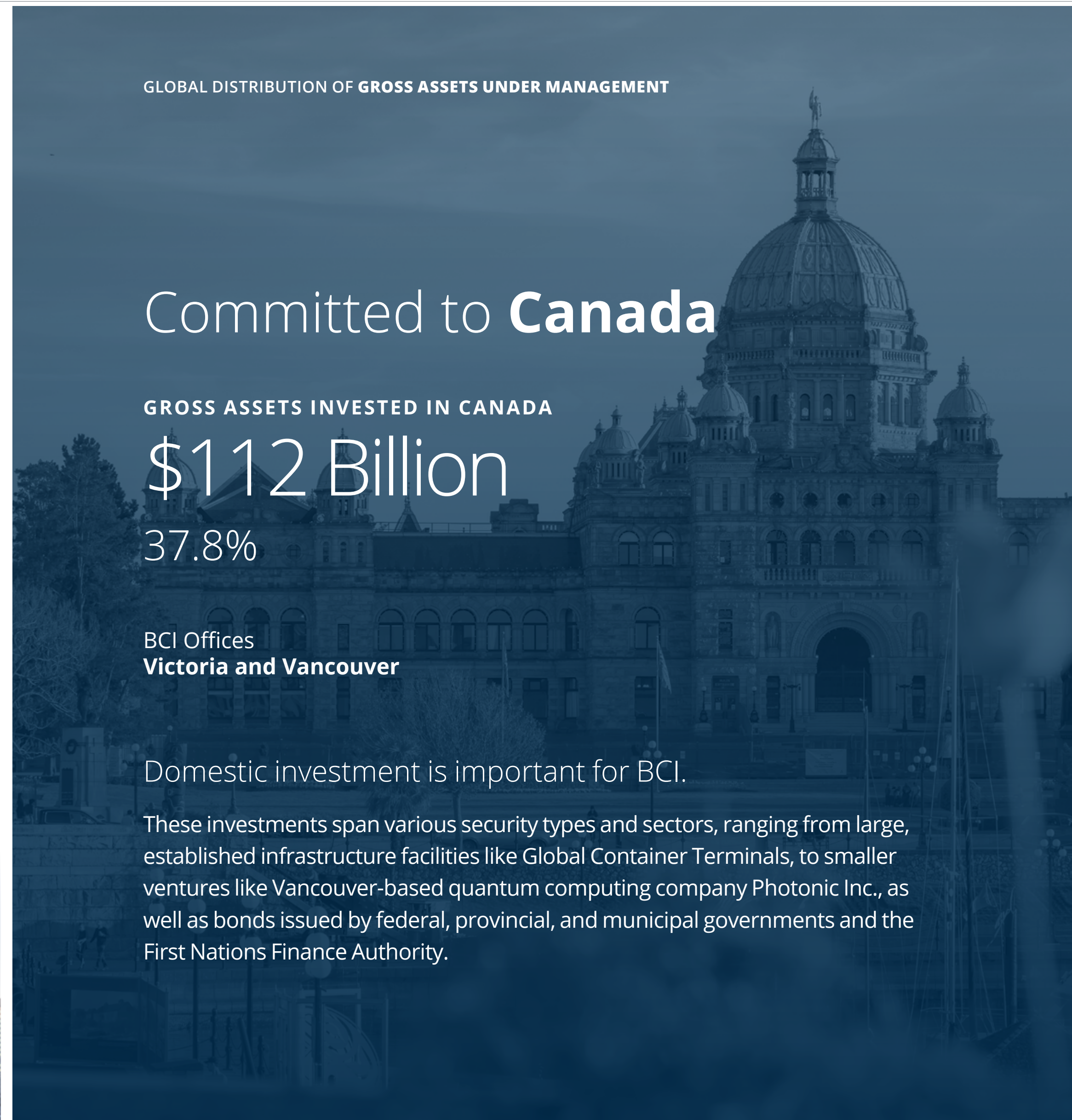
# \$112 Billion

## 37.8%

BCI Offices  
**Victoria and Vancouver**

Domestic investment is important for BCI.

These investments span various security types and sectors, ranging from large, established infrastructure facilities like Global Container Terminals, to smaller ventures like Vancouver-based quantum computing company Photonic Inc., as well as bonds issued by federal, provincial, and municipal governments and the First Nations Finance Authority.



## Asia Pacific

## 3.1%

BCI Presence  
**Mumbai<sup>2</sup>**



## Emerging Markets

## 7.6%



## Europe

## 12.6%

BCI Office  
**London**



## United States

## 38.9%

BCI Office  
**New York**





# Building a Resilient Future

This year, we launched BCI's Fiscal 2025-2027 Business Plan. It acts as our strategic roadmap, guiding the corporation's efforts in delivering on our mandate to grow and protect the long-term value of our clients' portfolios.

Our current plan is shaped by the increasingly competitive, low-return landscape and clients' long- and short-term cash flow needs. These factors make sustainable growth vital to future success. BCI's business plan addresses these conditions head-on through three strategic ambitions.

## BCI's F2025-2027 Strategic Ambitions

### 1 Driving Sustainable Growth

We generate value-add and grow our scale to continue meeting client objectives.

### 2 Accelerating Innovation

We are agile and forward-thinking in a rapidly evolving business environment. We explore new and transformative ways of working.

### 3 Operating on a Global Scale

We leverage our reputation, international presence, and operational efficiencies to compete among asset managers across the globe.

[Read more about our Business Plan.](#)



**PETER MILBURN**

Chair of the BCI Board of Directors

“BCI’s 25-year journey has been defined by strong governance, strategic foresight, and our core value of Clients First.

As BCI marks its 25th anniversary, I reflect on the organization’s remarkable evolution. Since joining the BCI Board at the end of 2016, I have had the privilege of witnessing BCI’s transformation into an active, in-house asset manager with global reach and ambition. In 2001, close to 90 per cent of client assets were in public equities and fixed income, what was known as a traditional 60/40 balanced portfolio. Success came through index replication and the use of external advisors to access specialized asset classes. Today, BCI is a world-class asset manager guided by a seasoned team with deep expertise across asset classes, sectors, and geographies. This shift is the result of deliberate strategy, strong execution, and the enduring trust placed in us by our clients.

Over the years, BCI has built a resilient investment program designed not just to withstand volatility, but to adapt to it. While the current macroeconomic environment has been volatile and increasingly uncertain, BCI’s long-term approach and experienced leadership provide a steady hand. Those guiding the organization today have led through past market disruptions and continue to be focused on long-term, sustainable growth and value creation.

As I reflect on fiscal 2025, the BCI Board continued to focus on enabling BCI’s success in the increasingly complex environment we faced. Regulatory expectations for pension funds are evolving, and strong governance remains central to our oversight role. This year the BCI Board undertook an external effectiveness review, reaffirming our commitment to strong governance and continuous improvement. We also continued to strengthen our environmental, social, and governance (ESG) frameworks to better align with global standards and growing client expectations, and refined our approach to risk and strategy. These activities prepare the organization to successfully navigate future challenges and opportunities as we have in the past.

People are at the heart of BCI’s success, and the BCI Board supported ongoing investment in talent development and the organization’s commitment to equity, diversity, and inclusion, ensuring it remains a place where top talent can excel as we deliver on our purpose.

In times like these, we know operational resilience is critical. BCI is advancing its cybersecurity posture through adoption of the Zero Trust model, which assumes no user or device

is trusted by default and enforces security dynamically. These efforts build on the Center for Internet Security framework and reflect BCI’s proactive approach to managing evolving risks. In parallel, the BCI Board continues to monitor the integration of artificial intelligence (AI) in the organization. With rapid developments in generative AI and corresponding regulatory responses, BCI has developed principles for the ethical and transparent use of AI. These efforts reflect our commitment to responsible innovation.

During the fiscal year, we were pleased to announce the reappointment of Weldon Cowan by the College Pension Plan and Donna Lommer by the Municipal Pension Plan to BCI’s Board. Additionally, we welcomed Tom Vincent, who was appointed to the BCI Board by the Minister of Finance in February 2025. We also extend our gratitude to Sheila Taylor, whose term as a BCI Director concluded in December 2024, for her years of dedicated service.

As we conclude on our 25th year, on behalf of the BCI Board, I extend our sincere gratitude to BCI’s leadership and all employees. Your dedication over the years has built an institution that is respected both at home and around the world. To our clients, thank you for the trust you continue to place in us. We remain deeply committed to our role as stewards of your capital, today, and for the decades to come.

**PETER MILBURN**

Chair of the BCI Board of Directors



**GORDON J. FYFE**  
Chief Executive Officer/  
Chief Investment Officer

“ BCI achieved a 10 per cent annual return, surpassing client expectations and further strengthening pension plan surpluses.

As a long-term investor with carefully managed liquidity, BCI is well-prepared to weather ongoing geopolitical headwinds through our sound, purpose-built strategy.

Fiscal 2025 was characterized by ongoing macroeconomic volatility, including heightened geopolitical risks, increased inflationary pressures, and abrupt trade and tariff policy shifts that roiled markets and strained international relations.

For many of BCI’s seasoned investment professionals, the resulting sudden market shifts were reminiscent of the 2008 Global Financial Crisis and other past bear markets.

This prepared us for the current environment, and we leveraged our bench strength and ample liquidity to capitalize on the opportunities that can arise during turbulent times.

Against this backdrop, our resilient investment strategy, aligned with our clients’ long-term investment needs, provided strong returns, further adding to the actuarial surpluses in client plans. BCI’s gross assets under management reached a new high of \$295 billion, with net investment income of \$21.9 billion. The combined pension plan returned 10 per cent for fiscal 2025, exceeding the average client actuarial rate of six per cent.

Nearly all asset classes delivered strong results, in both absolute and relative terms. Our Private Debt and Infrastructure & Renewable Resources assets were noteworthy performers. Over the course of the fiscal year, these programs increased their focus on high-growth Asian markets with Private Debt seeking investment opportunities with attractive yields and diversification benefits, while Infrastructure & Renewable Resources made its first direct investment in Japan.

Private Equity and Real Estate Equity underperformed their respective benchmarks. Although Private Equity delivered a robust 13.4 per cent return, it missed its 30.1 per cent benchmark which was driven by strong public equity returns and the Magnificent Seven AI-related companies. BCI’s Real Estate portfolio, managed by QuadReal, also underperformed its 6.8 per cent absolute return benchmark by 8.5 per cent, though it remained impressive compared to Maple 8 peers in these difficult market conditions.

From a longer-term perspective, BCI continues exceeding actuarial discount rates, with client funding ratios ranging from 103 to 133 per cent. However, given the lingering uncertainty around global trade and the investment environment, we may face several tough years ahead. We are closely monitoring developments, actively modelling client portfolios against potential scenarios, and briefing clients on risk-reduction strategies designed to help mitigate geopolitical and trade uncertainty impacts.

**OPERATING ON A GLOBAL SCALE**

This year, we released a new three-year business plan, focused on three ambitions: Driving Sustainable Growth, Accelerating Innovation, and Operating on a Global Scale. In pursuit of the latter ambition, we continue to expand our footprint globally. In fiscal 2025, we established a new European Private Equity hub in London, which will strengthen access to deals and help attract talent, while equipping us to operate in closer proximity to our already sizeable holdings in the region. About \$11.5 billion of BCI’s \$33.6 billion Private Equity portfolio is currently invested in Europe, while more than 50 per cent of our Infrastructure and Renewable Resources assets are outside North America.

In an era of great volatility and restructuring of international trade relations, diversification and adaptability become crucial for long-term portfolio resilience. Beyond our growing New York and London offices, we now maintain a small Mumbai team overseeing investments in India, the Philippines and Middle East, while scouting out ASEAN opportunities.

**INNOVATION AND THE CHALLENGE OF CHANGE**

Innovation is a part of our everyday operations. Across the organization, our teams are busy integrating AI into their workflows, transforming the way we work and deliver value. Our investment professionals utilize AI-powered interactive deal rooms, rapidly extract actionable insights from thousands of unstructured documents to strengthen analysis, and conduct technology security reviews with unprecedented speed. We’re also preparing BCI to be post-quantum ready, ensuring our data and systems remain secure.



**ESG — RESPONSIBLE INVESTING**

As an active asset manager, BCI monitors ESG factors and engages with regulators and companies to promote effective long-term risk management through good corporate governance. Our commitment to ESG remains firm, regardless of shifting political winds or anti-ESG sentiment in some corporate and political realms.

BCI continues to be a leader in this space, recognized as one of only five among 200 institutional investors to achieve a perfect Governance, Sustainability and Resilience score from Global Sovereign Wealth Fund. In October 2024, we released our first public Stewardship Report, detailing how BCI uses influence and ownership rights to drive responsible performance with our portfolio companies. I'm also proud to report that BCI has already exceeded our 2025 objective of \$5 billion in sustainable bond investments, reaching \$6 billion.

**BCI WELCOMES FOUR PILLARS SOCIETY AS A NEW CLIENT**

This year, BCI was awarded a \$2 billion investment mandate by The Four Pillars Society (TFPS), a not-for-profit organization established following a class-action lawsuit settlement against the Government of Canada. TFPS represents 325 First Nations across Canada, with settlement funds to be invested to support the revitalization of the crucial "Four Pillars" of language, culture, heritage, and well-being. TFPS Executive Director, Cliff Fregin, called the BCI relationship "a milestone in the management of Indigenous capital in Canada" that will "help ensure we can continue to empower Indigenous communities to preserve what matters most."

We are deeply honoured by this partnership and continue evolving our practices and deepening organizational understanding of Reconciliation. This also marked the second year of BCI's Indigenous Empowerment Award scholarship program, which provides participants with financial support as well as hands-on asset management experience. We plan to expand the program through partnerships with post-secondary institutions, to eventually welcome Indigenous students from across Canada.

**BRITISH COLUMBIANS' INVESTMENT NEEDS REMAIN PARAMOUNT**

While BCI continues to grow into a truly global asset manager, the investment needs of our clients and the British Columbians they serve remain the focal point of BCI's operations and decision-making. Thirty-eight per cent or \$112 billion of BCI's \$295 billion gross assets under management are invested in Canada. We would consider further increasing our Canadian investment exposure if the right opportunities involving airports and other infrastructure became available.

**25 YEARS OF CLIENTS FIRST — INVESTING THAT MATTERS**

As 2025 unfolds, BCI celebrates its 25th anniversary. Founded through the Public Sector Pension Plans Act, BCI generates investment returns to help secure financial futures for more than 750,000 pension beneficiaries. A Canadian Centre for Economic Analysis study found that BCI's ecosystem—encompassing retirement benefits, insurance payments, business operations, and private investments—drives 5.9 per cent of the B.C. economy, supporting over 225,000 jobs and generating \$12.2 billion in wages. Today, all B.C. plans are fully funded and in surplus — well administered, well run and well respected.

**IN CLOSING**

I would like to acknowledge a tragic occurrence at QuadReal's Oakridge Park development site in Vancouver, which claimed the life of 41-year-old construction worker Yuridia Flores, a mother of two. This tragedy reminded us that while financial losses may be part of the investment business, human life loss cannot be tolerated. On behalf of everyone at BCI and QuadReal, I extend our condolences to Ms. Flores' family and loved ones.

Finally, I commend the remarkable professionals throughout this organization whose collective efforts enable us to derive order from a chaotic macroeconomic environment and honour our commitments to clients and partners. Having earlier mentioned the bench strength of our professionals, I wish to reiterate that BCI clearly benefits from our executive leadership team's stability and experience. In times like these, it's good to be surrounded by trusted people who have previously navigated difficult and volatile periods.

I would like to thank the Board for its valuable support over the past year, and to recognize Sheila Taylor, who retired after six years of dedicated service as a Board Director and Chair of the Human Resources and Governance Committee.



**GORDON J. FYFE**  
Chief Executive Officer/Chief Investment Officer



# Management's Discussion & Analysis





# Operating Context

Diversifying clients' asset mixes to meet long-term liabilities and adapt to pension trends.

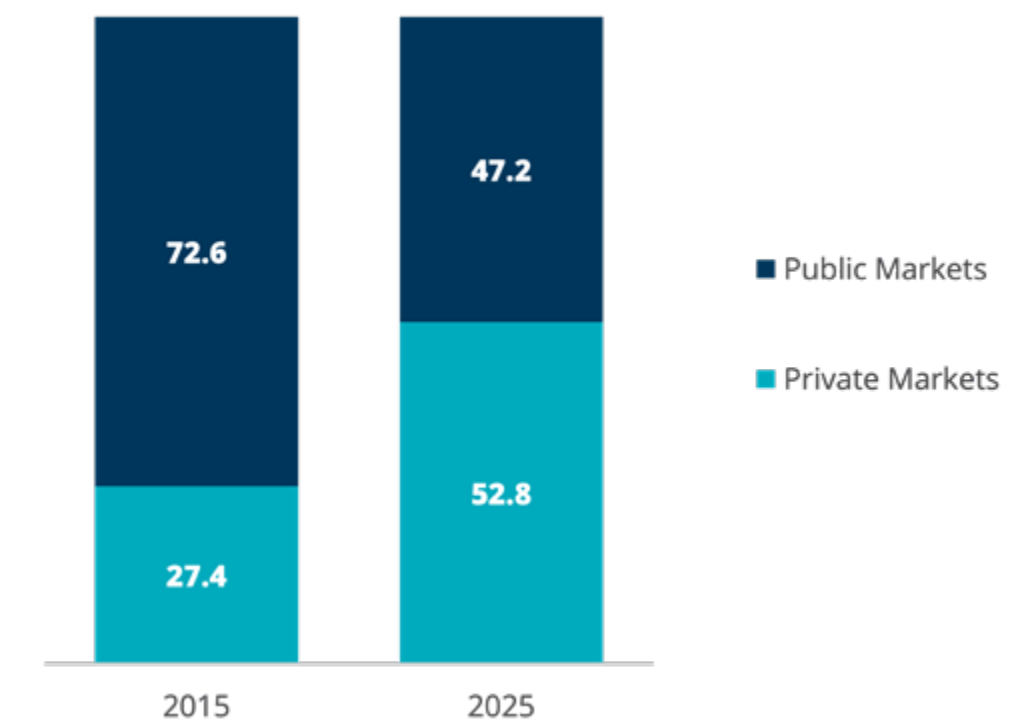
BCI's pension clients rely on us to generate investment returns that enable them to meet their obligations to beneficiaries without reducing payments or raising contributions. Their investment strategies are tailored to achieve returns in line with their long-term funding goals and actuarial requirements, which average six per cent. By prioritizing reduced volatility and downside protection over chasing extreme market gains, pension clients can better achieve their funding objectives.

As global demographic and pension trends shift, our clients face an increased maturity profile with fewer active contributors and more retirees receiving pension benefits. This means most pension plans pay out more cash to beneficiaries than they collect in contributions, making clients increasingly reliant on investment results to maintain stable benefits and contribution levels. On average, our investment activities contribute \$75 for every \$100 a pension plan member receives in retirement benefits.

As clients become more sensitive to investment results, they are leveraging their strong funded positions to maintain surpluses and portfolio resilience. Over the past decade, to reduce investment return variability, clients have diversified their investments by moving away from traditional asset mixes and allocating to new strategies that deliver more predictable returns. While this shift can sometimes increase liquidity risk, BCI has implemented a robust liquidity management framework to address this, considering clients' predictable, long-term cash outflows. Given the long-term nature of our clients' liabilities, their plans are vulnerable to periods of low growth and high inflation. Diversified asset mixes, including allocations to assets with more predictable income that adjusts with inflation, also help protect clients from these risks.

BCI's long-term returns have met or surpassed the required actuarial rates for all major pension plan clients, placing them in surplus positions and enabling them to meet their long-term liabilities for decades to come.

**BCI TOTAL ASSETS UNDER MANAGEMENT % BREAKDOWN BY MARKETS (NET)**





# Investment Funds

Adapting investment offerings for evolving markets and client needs.

BCI provides a variety of investment options classified by asset class, strategy, and geography. Clients invest in BCI's pooled funds aligned with their investment objectives. This structure offers diversification, scale, and cost efficiency compared to purchasing individual investments. All assets are held in trust, with clients holding units of the pooled funds rather than individual assets. BCI regularly assesses pooled fund performance and market developments and adjusts our offerings as needed by introducing, consolidating, expanding, or terminating pooled funds to align with clients' investment objectives.

Over the past 25 years, BCI's pooled fund lineup has evolved to offer more diversification, catering to a wide range of investment strategies and risk profiles. Since 2016, in-house asset management increased from 57 per cent to 84 per cent, demonstrating a commitment to building internal expertise and delivering value to our clients.

In fiscal 2025, the most substantial change to our product line was the transition of the Private Equity Program into an open participation pool structure. This means all participating clients now share in a broader, more diversified set of private equity investments, benefitting from lower risk and more stable returns.





# Investment Beliefs

Investment beliefs are crucial for driving long-term success, robust decision-making, and effective governance.

We invest clients' funds with long-term sustainability in mind, using multi-year strategies and focusing on risk management and global diversification.

Our goal is to invest in assets that provide reliable cash flow and appreciate over time, ensuring our clients can meet their commitments for decades to come.

This year, BCI reviewed and updated its investment beliefs. Last reviewed in 2017, these core principles and philosophies guide our approach to investing, reflecting our views on market behaviour, risk and return, and influence our overall strategy. During the revision process, we ensured that ESG and sustainability themes were included across our beliefs. This aligns with our approach of integrating ESG and sustainability considerations across everything we do and is supported by BCI's ESG Principles, ESG Strategy, and Climate Action Plan.

As markets and our investment model continue to evolve, this refresh ensures continued alignment.

## CLIENT OBJECTIVES DRIVE OUR INVESTMENT APPROACH

- Tailoring our investment approach for each of our clients' unique purpose, objectives, and risk tolerances provides better outcomes than a standardized total portfolio approach.
- Comprehensive, clear, and transparent governance frameworks ensure accountability, mitigate risks, and align interests.

## ACTIVE MANAGEMENT IS CRUCIAL FOR SUSTAINABLE VALUE CREATION

- Skills are the foundation for successful long-term investment returns; we focus on acquiring top-tier, diverse talent with a strong sense of integrity and align ourselves with best-in-class investment partners.
- Active ownership, achieved through meaningful engagement and influence, fosters long-term, sustainable value and supports fulsome investment risk management.
- While taking risk is essential to achieving our clients' return objectives, we only take risks where we have conviction that they will be rewarded.

## HAVING STRATEGIC INVESTMENT DISCIPLINE IS KEY

- A long-term focus is the best way to protect and grow our clients' funds.
- Capital markets have varying degrees of efficiency and are impacted by long-term themes and sector/industry trends.
- The strategic asset mix is the main determinant of portfolio risk and return; it is reasonable for investors to expect higher long-term returns for holding growth-oriented assets or asset classes.
- It is essential to manage costs without compromising net returns.
- Diversification, combined with a proactive approach to managing systemic risks such as climate change and geopolitical issues, improves portfolio resilience.
- Our long-term success is driven by capitalizing on our competitive advantages, such as our investment horizon, scale, robust liquidity management, and our integrated approach to managing ESG risks and opportunities.
- Investing in private markets offers attractive risk-return potential, permits stronger alignment of interests, and allows for more effective governance compared to public markets.
- Improving the sustainability and integrity of global capital markets fosters favourable economic conditions that benefit investors over the long term.



# Benchmark and Performance Objectives

BCI's Benchmark Governance Policy safeguards the interests of BCI's clients by establishing a level of governance consistent with industry-leading best practices, standards and requirements.

BCI's Benchmark Governance Policy prioritizes clients' interests by following industry-leading standards and best practices. It outlines how benchmarks for pooled funds, asset classes, and other investments are governed and is reviewed on a triennial basis. There were no changes to the Policy during the fiscal year. In fiscal 2026, the Policy will undergo its scheduled triennial review and may be updated to reflect BCI's evolution and/or broader industry best practices pertaining to benchmarking governance.

Risk controls are an essential part of benchmark governance. Risk-adjusted measures are applied to liquid public markets investment strategies, while internal risk ratings are applied to illiquid public and private market investment strategies. In addition, benchmark evaluations and risk assessments are conducted regularly. This combination of risk controls allows for ongoing monitoring and reporting of risk in tandem with benchmark and investment strategy performance.

In addition to ongoing benchmark monitoring and evaluations, BCI's benchmarks and performance objectives are formally reviewed on an annual basis with recommendations approved by the Chief Executive Officer/Chief Investment Officer (CEO/CIO) and the BCI Board. Please refer to the Pooled Fund Benchmarks on [pages 82 to 83](#) which contain the approved pooled funds benchmarks, including any intra-year changes.

A robust benchmarking framework is also a key factor in effective compensation governance. BCI's compensation structure is designed to align employee total compensation to long-term, risk-adjusted value creation for our clients and discourages the pursuit of short-term outperformance and excessive risk-taking.





# Analysis of Combined Pension Plan Returns

The investment performance detailed in this section is based on BCI’s six largest pension plan clients by AUM, referred to as the combined pension plan clients.

The combined pension plan clients are BC Hydro Pension Plan, College Pension Plan, Municipal Pension Plan, Public Service Pension Plan, Teachers’ Pension Plan, and WorkSafeBC Pension Plan. Assets are valued as at March 31 and reported returns reflect various periods ending on March 31. Due to lags in valuation updates, private market assets are fully valued at December 31 and internal rates of return of these asset classes reflect the calendar year.

## ONE YEAR RETURN

The combined pension plan portfolio had an annual return of 10 per cent, net of all fees. All asset classes generated positive returns except for real estate equity. The real estate equity market maintained a cautious market sentiment, despite modest interest rate cuts, continuing to impact valuations. Public equities, fixed income, and private equity were the largest contributors to total performance.

BCI’s Assets Under Management (AUM)	COMBINED PENSION (\$ Billions)	BCI TOTAL (\$ Billions)
<b>PUBLIC MARKETS</b>		
Fixed Income	62.3	84.6
Public Equities	45.5	59.5
Other Strategies <sup>1</sup>	1.2	1.2
<b>PRIVATE MARKETS</b>		
Real Estate Equity	42.3	51.8
Private Equity	28.9	33.6
Infrastructure & Renewable Resources	26.1	32.2
Private Debt	16.0	20.0
Real Estate Debt	9.4	12.1
<b>TOTAL GROSS AUM</b>	<b>231.7</b>	<b>295.0</b>
Funding Program	(23.5)	(25.7)
Other Leverage <sup>2</sup>	(13.2)	(17.6)
<b>TOTAL NET AUM</b>	<b>195.0</b>	<b>251.6</b>



**LONG-TERM RETURNS**

Our clients have long-term obligations, and multi-year results are the best measure of BCI’s performance. Over the five-year period, BCI generated an annualized return of 8.9 per cent, with significant gains provided by the Public Markets, Private Equity, and I&RR program. Public markets continue to be the largest contributors to performance.

Over the 10-year period, BCI generated an annualized return of 7.4 per cent and over the 20-year period, an annualized return of 7.8 per cent. All asset classes returned positive returns over the long term.

<b>Combined Pension Plan Clients’ Performance (%)</b>	<b>1 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>15 Year</b>	<b>20 Year</b>	<b>25 Year</b>
<b>Portfolio</b>	10.0	8.9	7.4	8.6	7.8	7.0
<i>Benchmark</i>	12.3	9.0	7.1	7.8	7.2	6.4

<b>Cumulative Value Added by BCI (\$ Billions)</b>	<b>1 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>15 Year</b>	<b>20 Year</b>	<b>25 Year</b>
<b>Portfolio</b>	(5.3)	(2.7)	1.6	8.3	8.5	9.3

**FIXED INCOME**

Over the one-year period, fixed income produced strong returns, led by particularly favourable performance in private credit. Healthy absolute yields, credit selection in corporate credit markets, and active interest rate positioning further contributed to performance.

Over the five-year period, private debt led fixed income performance.

Over the long term, the fixed income strategies returned positive annualized returns for 10-, 15-, and 20-year periods, providing steady yields and income.

<b>Annualized Returns (%)</b>	<b>1 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>15 Year</b>	<b>20 Year</b>
<b>Short Term</b>	8.3	2.8	2.3	2.3	2.7
<i>Benchmark</i>	8.2	3.3	2.2	1.8	2.1
<b>Nominal Bonds</b>	6.9	1.1	2.1	3.5	4.0
<i>Benchmark</i>	6.6	0.9	1.7	3.1	3.7
<b>Private Debt</b>	10.2	9.2	-	-	-
<i>Benchmark</i>	6.0	7.2	-	-	-
<b>Funding Program</b>	4.3	2.6	-	-	-



## PUBLIC EQUITIES

Over the one-year period, public equities delivered strong results with all regions achieving double-digit returns, with global equities leading performance. Narrow markets driven by the Magnificent Seven provided difficult market conditions for active equity managers investing in global markets. Quantitative investment strategies that invest in factor characteristics, such as value and quality, across a large number of stocks were more successful.

Over the five-year period, global equities and emerging equities were the biggest drivers to public equities returns.

Over the long term, each of the public equities strategies consistently generated solid annualized returns.

Annualized Returns (%)	1 Year	5 Year	10 Year	15 Year	20 Year
<b>Canadian Public Equity</b>	12.6	16.5	8.4	8.2	8.0
<i>Benchmark</i>	15.8	16.8	8.5	8.0	7.9
<b>Global Public Equity</b>	14.3	16.8	11.3	12.7	9.4
<i>Benchmark</i>	13.7	16.4	11.0	12.4	9.4
<b>Emerging Markets Public Equity</b>	12.8	9.6	5.4	6.3	-
<i>Benchmark</i>	15.0	8.2	5.0	5.5	-



**INFRASTRUCTURE & RENEWABLE RESOURCES**

Over the one-year period, the asset class delivered attractive returns. Investments in transportation, utilities, and digital infrastructure drove the outperformance, while headwinds were experienced in the renewable resources and agriculture logistics sectors.

On a five-year basis, the strong annualized return was supported by strong cash yield and capital appreciation.

Over the long term, the portfolio consistently achieved above-benchmark returns, with infrastructure assets remaining attractive due to their defensive qualities and potential for stable returns.

Annualized Returns (%)	1 Year	5 Year	10 Year	15 Year	20 Year
<b>Infrastructure &amp; Renewable Resources<sup>1</sup></b>	8.3	8.9	9.1	9.6	9.7
<i>Benchmark</i>	6.4	6.6	6.9	7.3	7.4

**PRIVATE EQUITY**

Over the one-year period, the portfolio generated a return of 13.4 per cent, despite slowed deal activity caused by sustained interest rates, inflation, and geopolitical tensions. The private equity benchmark’s return, which is tied to a public equity index, was driven by outsized concentration and performance of large technology stocks like Nvidia and others in the Magnificent Seven.

Over the five-year period, the portfolio outperformed its benchmark, driven by strong performance from the direct and fund portfolios.

The strong long-term relative returns highlight the team’s commitment to active management and value creation across a well-diversified global portfolio.

Annualized Returns (%)	1 Year	5 Year	10 Year	15 Year	20 Year
<b>Private Equity<sup>1</sup></b>	13.4	15.4	16.2	16.1	13.9
<i>Benchmark</i>	30.1	14.4	13.6	13.8	13.7



**REAL ESTATE EQUITY**

Over the one-year period, performance was negative due to valuation adjustments driven by market appraisals rather than realized losses. Positive portfolio income supported overall performance, while the portfolio remained well-diversified across regions and sectors. Direct property occupancy remained stable, with average occupancy by sector ranging from 94 to 100 per cent, except for office and student housing. Strong portfolio fundamentals, including rent growth, remained evident in industrial, alternative, and residential sectors.

Over the five-year period, real estate equity delivered positive annualized returns. With rates stabilizing, medium-term real estate returns are expected to be driven by income, and investors with deep operating expertise are best positioned to outperform.

Annualized Returns (%)	1 Year	5 Year	10 Year	15 Year	20 Year
<b>Real Estate Equity<sup>1</sup></b>	(1.8)	2.6	-	-	-
<i>Benchmark</i>	6.8	6.8	-	-	-

**REAL ESTATE DEBT**

Over the one-year and five-year periods, real estate debt delivered positive returns driven by strong asset and sector selection and active asset management. Since 2019, industrial assets have grown to 32 per cent of the portfolio, while exposure to office and retail properties has strategically reduced from 40 to 20 per cent. Since 2021, 96 per cent of new investments have targeted industrial, residential, and alternative assets, positioning the portfolio to navigate market challenges and seize growth opportunities in key sectors.

Over the long term, the performance remains solid with consistent positive annualized returns on 10-, 15-, and 20-year periods, driven by QuadReal’s focus on high-conviction property types.

Annualized Returns (%)	1 Year	5 Year	10 Year	15 Year	20 Year
<b>Real Estate Debt</b>	6.1	5.1	4.6	4.9	5.3
<i>Benchmark</i>	6.0	3.6	3.2	3.4	3.9

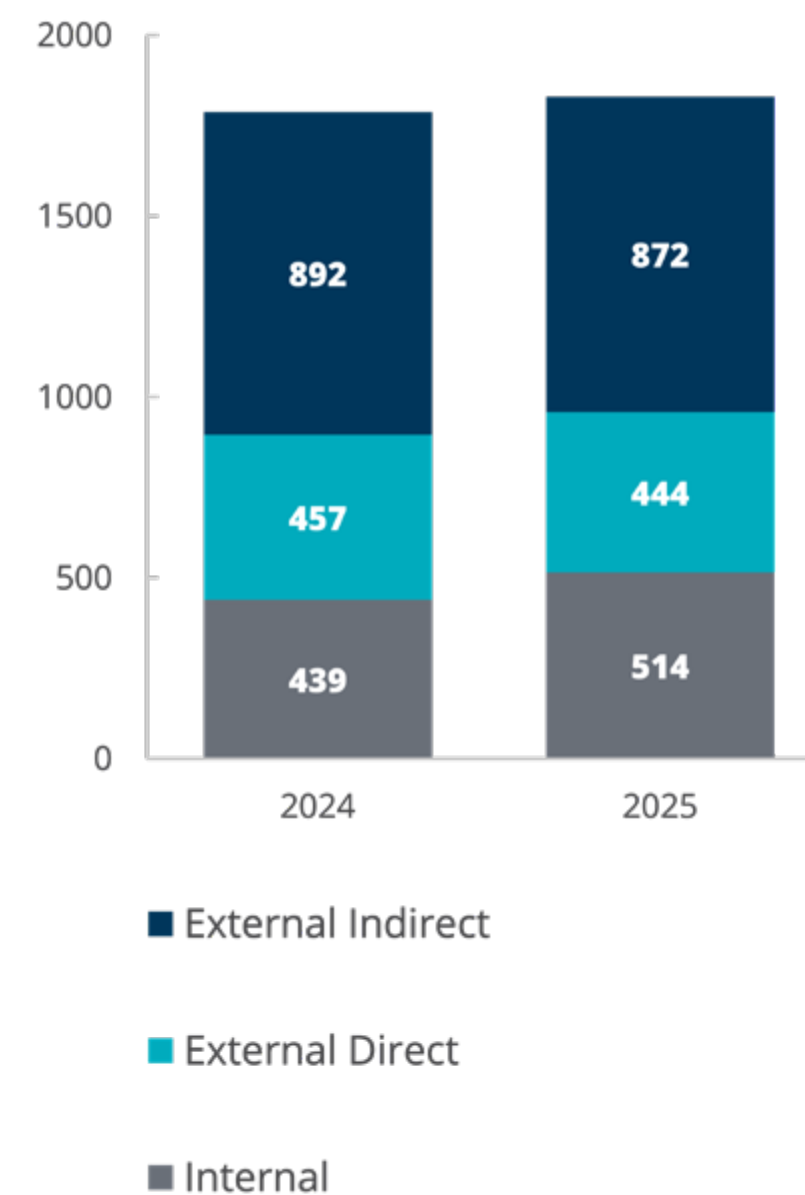


# Cost Management

We are accountable to our clients for our returns, the costs involved in managing their funds, and the net long-term value-add from our services. As outlined in the *Public Sector Pension Plans Act*, BCI operates under a cost recovery model. The investment management fees we charge our clients cover the costs incurred in managing their investments and running BCI's operating costs with no profit margin.

Our costs are primarily driven by the size and type of assets under management, with private market assets incurring greater costs for management. Over the last 10 years, many of our clients have shifted the asset allocations within their portfolios to a greater portion of private assets to achieve their required long-term investment return objectives. This fiscal year, our total costs were \$1.8 billion or 76.1 cents per \$100 of assets under management (2023–2024: \$1.8 billion or 80.4 cents per \$100), consisting of internal, external direct, and external indirect costs, all of which are netted against investment returns.

BCI TOTAL COSTS (\$ MILLIONS)



CEM Benchmarking Inc., a global benchmarking company with nearly 300 participants, compared BCI to our Canadian pension peers. The results show for the five-year period ending December 31, 2023 — the CEM cost benchmarking survey is produced on a one-year lag — **BCI delivered higher net returns for pension clients at a lower cost than the peer median<sup>1</sup>.**





Type	Definition	Provides	Purpose	Costs on Total BCI Net AUM	Analysis
<b>Internal</b>	Operating costs over which BCI has direct control.	Compensation, rent, technology, and project funding.	<p>To staff BCI with high-performing professionals in key global locations to deliver results for our clients.</p> <p>To provide and scale the facilities, tools, and services necessary for BCI's operations.</p>	28.1 per cent of total costs or 21.4 cents per \$100 of assets managed.	Internal Costs were \$514 million in 2024-2025 compared to \$439 million in 2023-2024. The year-over-year increase of 1.6 cents per \$100 of assets managed was primarily due to the growth of global teams, systems, and one-time costs from strategic projects designed to support our clients' increased target asset allocations to private markets. Managing these assets internally creates significant cost efficiencies for our clients compared to external management.
<b>External Direct</b>	Investment management costs, including performance fees, where BCI retains discretion over the decision to buy or sell assets.	Asset management fees and performance fees to third-party managers, custodial fees, audit fees, legal costs, pursuit costs, and other transaction costs.	<p>To engage and incent external managers and partners with skills and resources BCI does not have.</p> <p>To facilitate investment transactions and fund administration activities.</p>	24.2 per cent of total costs or 18.4 cents per \$100 of assets managed.	External Direct Costs were \$444 million in 2024-2025 compared to \$457 million in 2023-2024. The year-over-year decrease of 2.1 cents per \$100 of assets managed was primarily from lower private market performance fees compared to F2024, partially offset by AUM growth.
<b>External Indirect</b>	Investment management costs, including performance fees where BCI has delegated to a third-party manager the discretion to buy or sell assets.	Asset management fees and performance fees to third-party managers.	<p>To engage and incent external managers with skills and resources BCI does not have.</p> <p>To ensure alignment between BCI and external managers through incentive pay options.</p>	47.7 per cent of total costs or 36.3 cents per \$100 of assets managed.	External Indirect Costs were \$872 million in 2024-2025 compared to \$892 million in 2023-2024. The year-over-year decrease of 3.8 cents per \$100 of assets managed is largely due to lower performance fees to third party private equity managers.



# Fixed Income

Optimizing yield and managing risk through active fixed income management.

In a year characterized by considerable market volatility and shifting interest rate policies, BCI's well-diversified Fixed Income program delivered robust returns on the back of active interest rate positioning, solid credit selection, and an attractive yield environment. In the Corporate Bond Fund, strong performance and \$3 billion in new deployments grew fund assets to \$18 billion, up from \$15 billion last year. The fund further expanded its capacity and opportunity in the fiscal year by adding syndicated loans and credit derivatives to the strategy. Government Bond Fund assets increased to \$24 billion, up from \$18 billion a year ago.

Overall, fixed income assets under management increased by \$13 billion driven by robust returns, higher client allocations to credit and government bonds, and the addition of a new client.

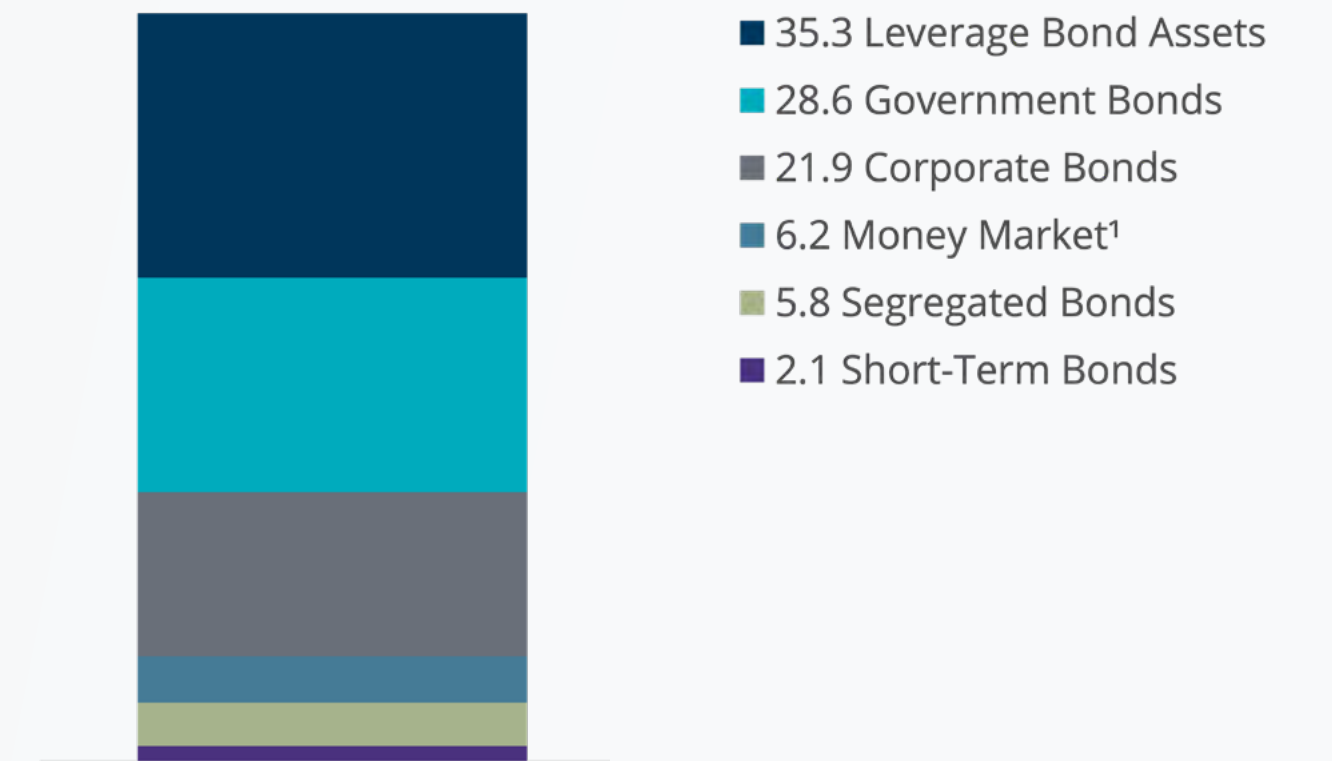
We continued transitioning a client from segregated management to BCI's fixed income pooled investment portfolios, moving \$1.3 billion in fiscal 2025. Funding Program liabilities grew by \$4.8 billion, supporting general portfolio growth and increased leverage allocations by two clients.

Additionally, the Foreign Exchange team partnered with the Infrastructure & Renewable Resources (I&RR) team to design and implement a 10-year foreign exchange hedge, significantly enhancing the expected return on an overseas I&RR investment. Foreign exchange hedges beyond one year are rare, and this was BCI's first foreign exchange hedge that stretched beyond two years.

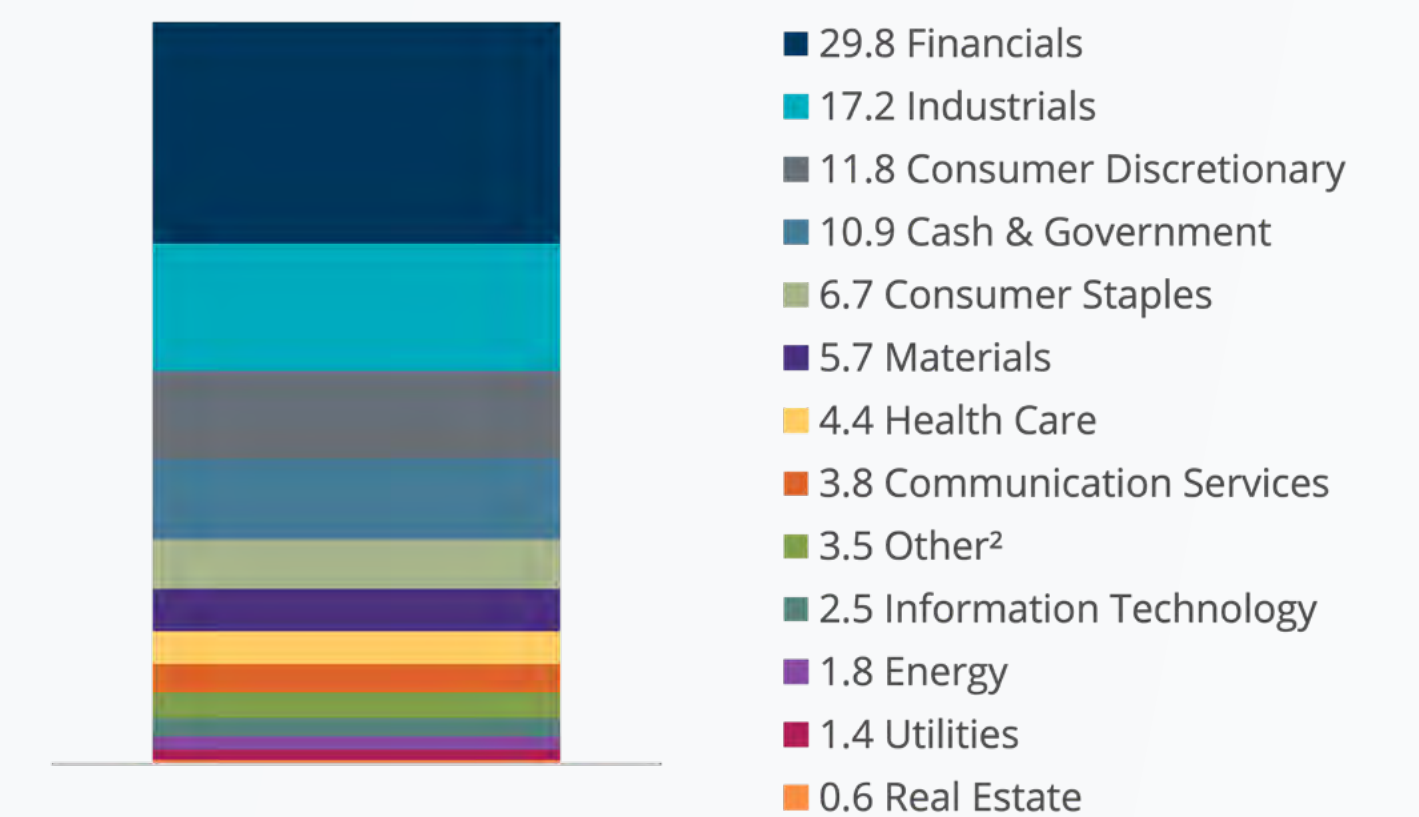
# 1.2%

**5-YEAR ANNUALIZED RETURN**

**FIXED INCOME PORTFOLIO NET ASSETS (%)**



**CORPORATE BOND PORTFOLIO NET ASSETS (%)**





**HIGHLIGHTS**

- **Marked the five-year anniversary of [The Funding Program](#).**
- **Surpassed \$6 billion in total sustainable bond participation**, exceeding BCI's 2025 expectations of \$5 billion, achieved through close collaboration with the ESG team.
- **Deployed more than \$3 billion in the Corporate Bond Fund**, growing assets to more than \$18 billion.
- **Raised \$3.0 billion in unsecured debt** by issuing additional bonds, both significantly oversubscribed by more than 70 global investors.

**INVESTMENT LOOKBACK**

# 2019 | BCI's Funding Program: A transformative milestone in BCI's product development

Fiscal 2025 marks the fifth anniversary of The Funding Program (Program) highlighting the collaborative spirit that drives BCI's success. Launched through the collective expertise and dedication of teams from across BCI, the Program exemplifies our unified commitment to excellence and delivering innovative solutions that empower our clients. Access to leverage provides BCI's clients with broader asset mix options and can facilitate more diversified portfolios.

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. Originally launched with repurchase agreement borrowing, the Program expanded to include unsecured borrowing to enhance liquidity and diversify maturities and creditors.

To support the unsecured debt issuance, BCI secured top long-term credit ratings from leading global credit rating agencies Moody's (Aaa), S&P Global (AAA) and DBRS Morningstar (AAA). These ratings reflect the strength of client investment portfolios and confidence in BCI's asset management capabilities. By the end of fiscal 2025, the Program had issued \$5.25 billion in unsecured debt, through four offerings, to over 90 global investors.

By broadening funding sources and expanding its investor base, the Program has strengthened its ability to support client needs, manage liquidity, and optimize funding costs. This strategic growth positions the Program to continue delivering value and flexibility for clients.





# Private Debt

Driving growth and resilience through strategic credit investments.

The Principal Credit Fund (PCF) delivered positive absolute and relative returns, driven by high credit spreads, strong credit selection, and elevated base rates. Although defaults in the portfolio rose moderately, they remained well below historical averages. The overall portfolio credit quality remains strong.

During the year, PCF net assets under management grew from \$16.1 billion to \$19.4 billion, with \$3.3 billion in overall net deployments. The fund maintained its focus on sponsor-backed lending across North America and Europe, centring its investment strategy on first-lien debt or senior loans. Approximately 98 per cent of capital was issued in first-lien debt, yielding average spreads over 530 basis points on new investments.

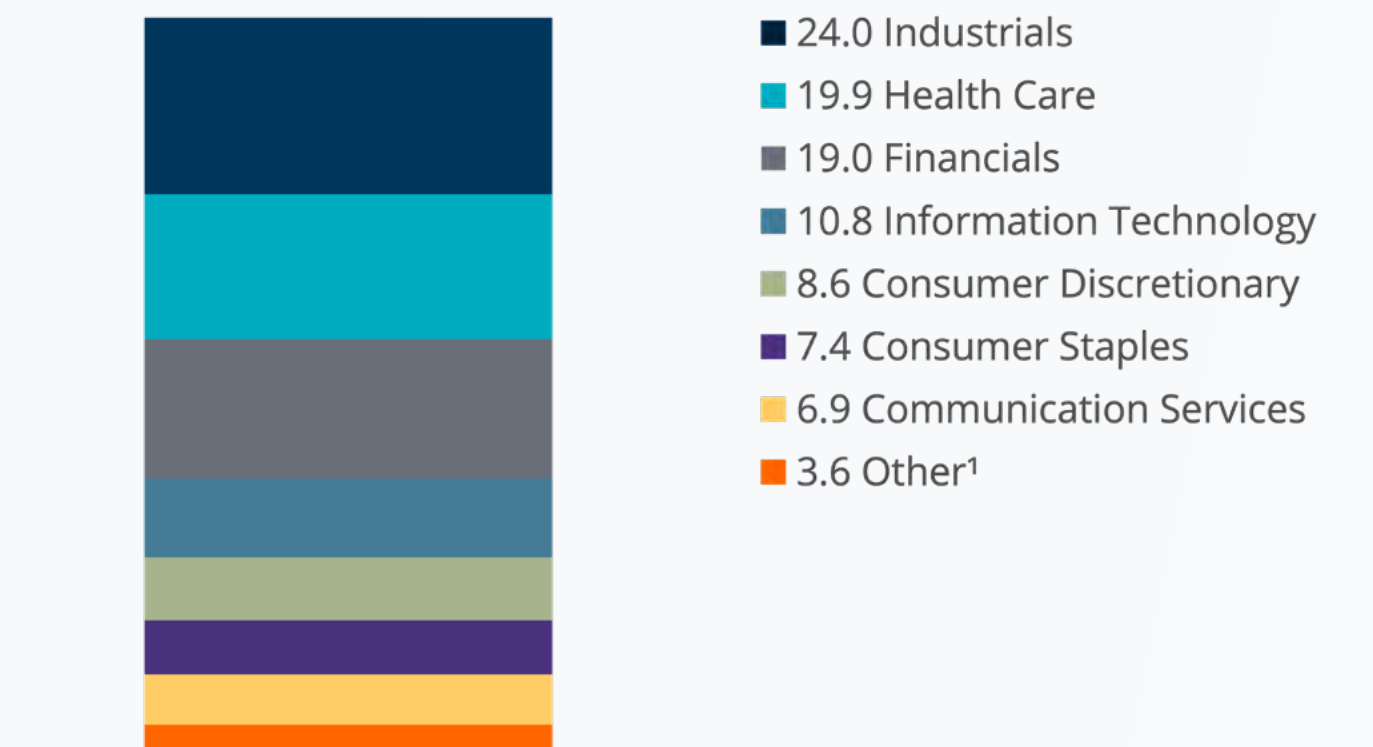
We expanded the product line-up in the portfolio by introducing asset-backed lending (ABL) with the addition of three new strategic relationships. By securing loans with tangible assets, ABL offers investors downside protection and attractive risk-adjusted returns. With shorter loan durations

and increased portfolio flexibility, ABL provides greater resilience during economic downturns, making it a compelling option for investors seeking stability and opportunity amid market volatility.

The team further strengthened PCF's capabilities, making internalization a key strategic advantage. By managing 65 per cent of the portfolio in-house, the Fund materially reduces operating costs and increases control over ESG and due diligence processes. ESG considerations remained integral to the investment process, reinforcing our commitment to responsible investing.

**9.2%**  
**5-YEAR ANNUALIZED RETURN**

**PRIVATE DEBT PORTFOLIO NET ASSETS (%)**





**HIGHLIGHTS**

- **Invested \$3.3 billion in new net deployments.**
- **Established three strategic relationships totalling US\$600 million** in commitments with external managers to asset-backed lending funds and co-investment opportunities.
- **Expanded geographic footprint to Asia and the Pacific region**, for additional investment opportunities seeking attractive yields and providing diversification.
- **Continued to rank within the top 10 of Private Debt Investor’s Global Investor 75 list.**

**INVESTMENT LOOKBACK**

# 2024 | Strategic investment in private student loans strengthens BCI’s portfolio

BCI participated in the acquisition of a high-quality portfolio of private student loans held by Discover Bank in 2024. The transaction was led by Principal Credit Fund’s (PCF) strategic partners, Carlyle and KKR, with BCI engaging on a co-investment basis.

The portfolio is comprised of prime private student loans in the United States. This ensures a strong foundation for stability and performance and aligns with BCI’s strategy to maximize returns while managing risk effectively.

This investment strengthens BCI’s position to generate double-digit returns, supported by an accelerated payback profile. These factors contribute to long-term growth, ultimately benefiting clients by reinforcing the strength and resilience of BCI’s portfolio.

This transaction also marks a significant milestone for PCF, as one of its first ABL investments. Traditionally focused on corporate lending, PCF’s entry into private student loans diversifies its portfolio, mitigating sector concentration risks while expanding opportunities in alternative fixed-income strategies.

Another distinguishing factor of this deal was its rapid execution. PCF’s ability to close the investment within a condensed timeframe demonstrates its agility in capitalizing on new opportunities.

By leveraging strategic partnerships and identifying innovative investments, BCI continues to enhance its portfolio — delivering strong returns, diversification, and financial security for its clients.





# Public Equities

Positioning for resilience and capitalizing on uncertainty in a dynamic equity portfolio.

Global equity markets evolved during fiscal 2025 with geopolitical developments, trade dynamics, and shifting economic growth, in turn creating both new opportunities and challenges. BCI’s Public Equities program is positioned to deliver performance for clients over the long term. Our absolute return strategies, available through the Global Partnership Fund (GPF), particularly demonstrated their value this year by providing consistent value-add during a period when active equity managers faced headwinds. Across our public markets’ investment teams, we have established a solid reputation in the marketplace as a sophisticated and agile co-investor, which brings us top-quartile proposals for partnerships and investment deal flow.

Absolute return investments outperformed over the one-year period by 205 basis points in fiscal 2025, leading to over 319 basis points of outperformance over a five-year annualized period. The team capitalized on absolute return opportunities across various sectors and asset classes, with a notable focus on artificial intelligence (AI), energy demand, and ESG investments. Sixty-one per cent of new

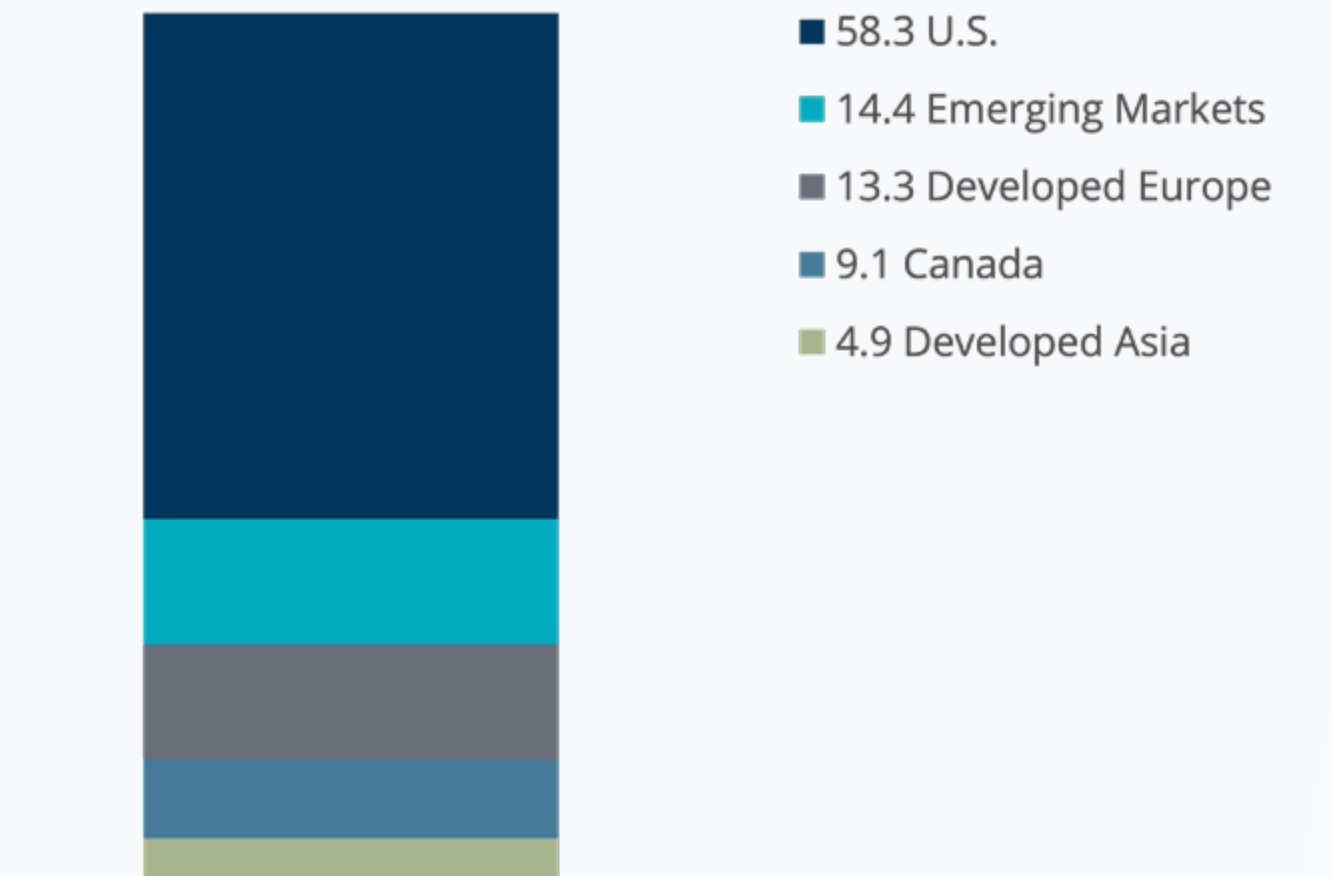
absolute return deployments during the year were toward co-investments, offering attractive, downside-protected returns and greater control over asset selection, negotiation, monitoring, and management — key factors in mitigating risk and optimizing returns.

In line with clients’ evolving asset allocation and portfolio rebalancing toward private markets and fixed income, we have reduced the AUM of active long-only equity strategies.

BCI continued participation in Climate Action 100+, moving to phase two of the initiative. BCI has led engagements with Canadian Natural Resources, Suncor Energy, and Teck Resources, and supported engagements with Exxon Mobil, Chevron, POSCO, Samsung Electronics, and more as outlined in our inaugural [Stewardship report](#).

**15.0%**  
5-YEAR ANNUALIZED RETURN

GLOBAL DISTRIBUTION OF PUBLIC EQUITIES PROGRAM (%)





**HIGHLIGHTS**

- **Invested \$144 million in a private placement in [WSP Global Inc.](#)** to support the company's \$2.4 billion acquisition of POWER Engineers.
- **Delivered 16.1 per cent annualized return since the first absolute return investment was made in 2019,** exceeding the pooled fund benchmark by 3.2 per cent, driven by the absolute return investment portfolio.
- **Secured a \$75 million co-investment commitment to Vultr,** an established global cloud infrastructure firm offering virtual and physical technology solutions, such as graphic processing units for large-scale AI computing.
- **Committed €200 million to Qualitas,** an European-based renewables-focused investment manager, known as a market leader in the energy transition sector.

**INVESTMENT LOOKBACK**

# 2019 | Compass Rose: Capturing opportunity and managing risks in all market conditions

In pursuing diversified returns for our clients, BCI selectively partners with specialized external managers to complement our internal capabilities. As one of the GPF's first and largest investments, BCI committed US\$575 million to Compass Rose, a New York-based alternatives manager, to access its long/short strategy trading credit securities across U.S. and European markets. The strategy aims to generate positive returns throughout all market environments, and is particularly well-positioned to produce strong returns in stressed and highly volatile credit markets by maintaining a defensive bias.

Compass Rose's highly active approach relies on continuous market monitoring and direct engagement with market participants to identify new opportunities. In volatile periods, up to 75 per cent of investment ideas can stem from forced selling and the resulting trade flow, which can lead to strong performance. For example, during the extreme volatility of March 2020, Compass Rose achieved an absolute return of over 14 per cent, while the MSCI World ex-Canada index fell by 7.7 per cent. In the first quarter of 2025, the manager again demonstrated this capability, delivering over 5.3 per cent, while the MSCI World ex-Canada declined by 1.8 per cent. Since BCI's initial investment, Compass Rose has delivered a 9.1 per cent internal rate of return. For clients, this means access to a resilient, actively managed strategy that enhances portfolio diversification, reduces risk, and delivers consistent, attractive returns across market cycles.





# Infrastructure & Renewable Resources

Delivering long-term client value through direct origination, active asset management, and diversification.

BCI Infrastructure & Renewable Resources (I&RR) program continues to demonstrate resilience and adaptability in the face of challenging market conditions. Rising global demand for modernization in transportation, energy, and digital networks, alongside decarbonization and sustainability efforts, drives investment opportunities. As interest rates stabilize, infrastructure’s resilience to inflation and economic volatility strengthens its appeal.

The program experienced a strong year of development with increased portfolio diversification, meaningful growth in capabilities, and excellent total returns for clients despite turbulent markets and geopolitical stress. Program cash yields remained strong with a record \$1.1 billion in distributions and \$2.7 billion total return of capital provided to clients throughout the year.

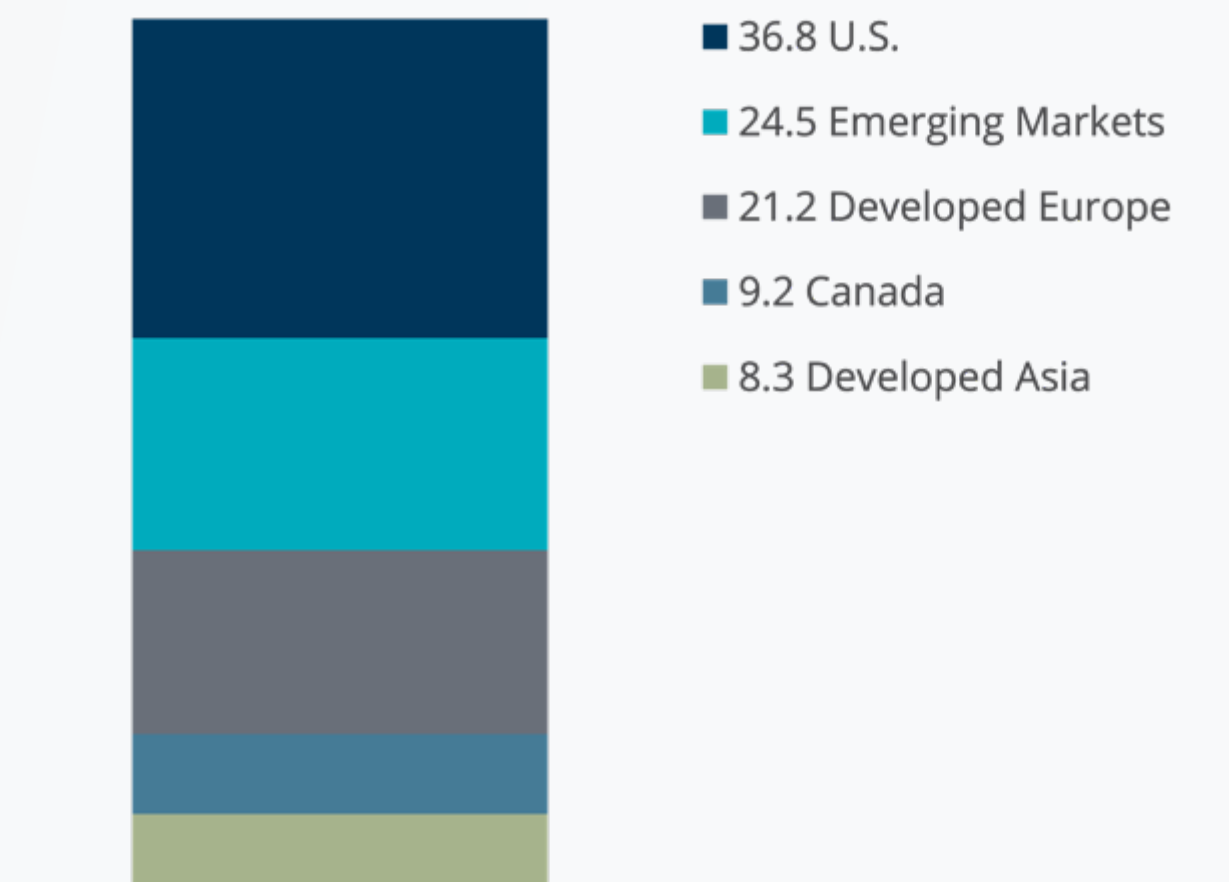
Net AUM increased significantly by 18 per cent in the past calendar year, with enhanced diversification across various sectors, geographies, and strategies. In fiscal 2025, the group originated and executed \$5.1 billion of new investments, announced or closed transactions, specifically in the areas of telecommunications, onshore operating wind assets,

data centres, as well as transportation. During the calendar year, the team conducted extensive due diligence and identified new investment opportunities, leading to the closures of significant transactions in early 2025. The program also meaningfully advanced its investment exposure to debt and publicly listed infrastructure opportunities, representing 3.6 per cent and 2.2 per cent of the portfolio, respectively.

ESG integration continues to be an important focus for the program and this year we engaged with portfolio companies on key priorities such as enhancing data analytics tools and conducting deeper research into important climate change topics, such as wildfire impact and mitigation in the utility and timberlands sectors. We remain committed to responsible investing and ensuring that ESG factors are integrated into investment and asset management processes.

**8.9%**  
5-YEAR ANNUALIZED RETURN

**GLOBAL DISTRIBUTION OF INFRASTRUCTURE & RENEWABLE RESOURCES PROGRAM (%)**





**HIGHLIGHTS**

- **Announced three significant investments<sup>1</sup>** in early 2025:
  - A take private of [BBGI Global Infrastructure S.A.](#), a diversified infrastructure platform focused on high-quality, low-risk public-private partnership concession assets,
  - Alongside a partner, a take private of [Renewi Plc](#), a leading European waste and recycling firm operating across the Netherlands and Belgium,
  - An investment in **Shepherds Flat**, a U.S. onshore wind project, increasing the program’s renewable power exposure.
- **Committed \$700 million in three direct infrastructure debt transactions, including JPY58,105 million in the sale and leaseback of Rakuten Mobile’s** telecommunication towers in Japan, marking our first direct infrastructure investment in the country.
- **Invested in three new publicly traded companies** in the listed infrastructure strategy.
- Added 14 team members to deepen execution and asset management capabilities, expanding the investment presence in Asia and Europe. This expansion enables the program to better serve clients by providing access to a broader range of investment opportunities and ensuring we remain vigilant on current and emerging risks.

**INVESTMENT LOOKBACK**

# 2006 | Corix: A testament to our long-term investment philosophy and active asset management

BCI I&RR program takes a long-term approach to generating value and fostering sustainable futures for our clients and the communities our companies serve through our investments. As one of the program’s early investments, Corix Infrastructure Inc. operated as a regulated utility (waste/water waste) and district energy assets company across North America based in British Columbia.

Since BCI’s initial investment in 2006, Corix’s enterprise value grew from \$45 million to over \$1.6 billion in 2023, including BCI acquiring 100 per cent ownership in 2014. In 2021, BCI conducted a strategic review of Corix, focusing on the regulated utilities segment. This led to a merger with SouthWest Water Company in April 2024, forming Nexus Water Group, a leading regulated water and wastewater utility. BCI retained a 50 per cent equity stake and governance rights in Nexus Water Group, which serves more than 1.3 million people across 20 U.S. states and two Canadian provinces.

This merger also enabled the carve-out of Corix District Energy. Headquartered in British Columbia, Corix District Energy remains 100 per cent BCI-owned and provides low-carbon, sustainable heating and cooling systems to North American communities.

The [growth and transformation of Corix](#) highlights the program’s ability to execute complex transactions in-house and our alignment with essential assets serving local communities and businesses, demonstrating BCI’s long-term investment philosophy and commitment to responsible investing. Corix also showcases the program’s expertise in managing and developing assets through organic growth and acquisitions.



# Private Equity

Growing our global team to drive value creation in private equity.

In 2024, BCI Private Equity advanced its core strategy, developed differentiated capabilities, and deepened relationships to deliver long-term value. Despite ongoing market challenges, BCI successfully generated liquidity and secured strong realized returns due to the program’s focus on active portfolio management. Notably, the program announced two key exits: Hayfin Capital and Ziplly Fiber, two of its five largest assets, and generated \$1.6 billion in proceeds from the completion of two secondary sales.

While remaining selective on new deals, the program executed \$2.2 billion in total new investments. The team committed \$1.4 billion to nine fund investments, reinforcing strategic relationships with fund general partners who produce superior returns and high-quality direct investment opportunities. Furthermore, the team invested \$800 million in 10 direct investments, including six follow-on investments that supported growth within existing portfolio companies.

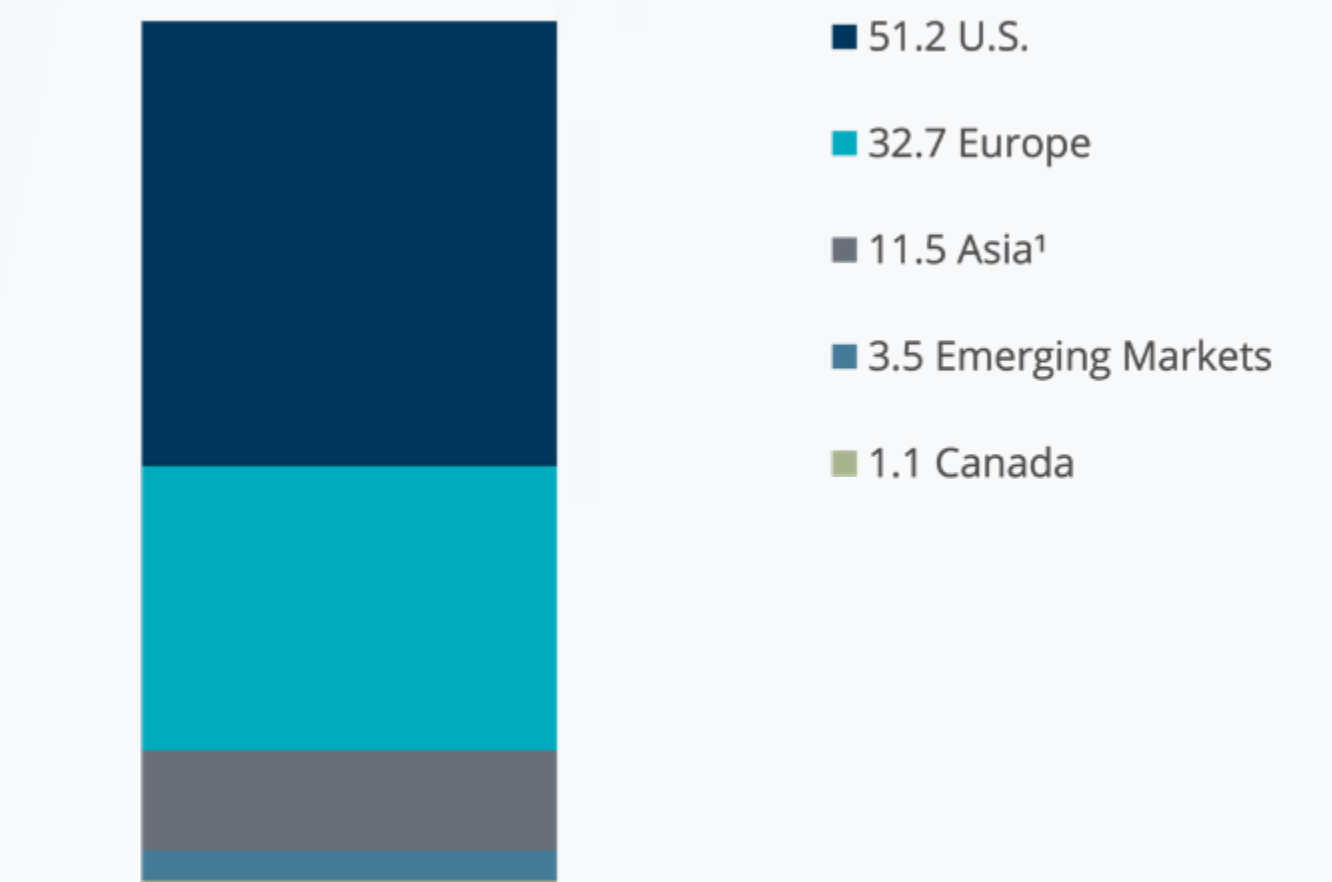
To support the continuing success of the program and cost-effective deployment of capital, BCI strengthened internal resources by expanding the Private Equity senior

leadership team, integrating active value creation, and building out team expertise in key sectors. The team’s global footprint now includes 23 investment professionals in New York and senior leadership in the newly [established London office](#), enabling a focus on direct investments and value creation in both financial centres.

On ESG integration, we further embedded our risk-adjusted, returns-driven approach to ESG value creation throughout the investment lifecycle, while deepening our engagement with portfolio companies, investment partners, and the industry. Additionally, the Venture and Growth team partnered with leading AI providers as part of our corporate-wide initiative to find ways in which AI adoption can further increase our teams’ productivity and competitiveness.

**15.4%**  
5-YEAR ANNUALIZED RETURN

GLOBAL DISTRIBUTION OF PRIVATE EQUITY PROGRAM (%)





**HIGHLIGHTS**

- **Agreed to sell a majority stake in [Hayfin Capital](#)** in July 2024, with the closing occurring in February 2025.
- **Announced the agreement to sell our stake in [Zipty Fiber](#)<sup>1</sup>**, one of our five largest assets, to BCE Inc. in November 2024.
- **Named [2024 Limited Partner of the Year](#)** in the Americas by Private Equity International.
- **Expanded our global footprint** with more than 75 employees working from Victoria, New York, and London. Global offices support the expansion of BCI’s network, high-quality deal generation, and value creation. They also allow us to deepen relationships with portfolio companies and the broader partner ecosystem.

**INVESTMENT LOOKBACK**

# 2017 | Hayfin: A direct investing and sustainable value creation success story

BCI’s Private Equity program has evolved since its inception while maintaining a steadfast commitment to prioritizing clients’ needs and delivering long-term value. Initially focused on fund investments, a pivotal shift towards direct investments started in 2016. Direct investments offer savings on external manager fees, greater control, enhanced transparency, and increased value creation opportunities.

In 2017, BCI acquired a majority stake in Hayfin Capital Management, a leading European private credit platform, marking the program’s first majority direct investment. Actively supporting Hayfin’s growth, BCI invested in expanding the team, investment capabilities, and product offerings, such as direct lending and special situations. Through board participation, we contributed strategic guidance, industry expertise, and resources, ensuring that Hayfin’s development remained aligned with BCI’s investment objectives. With BCI’s guidance, Hayfin experienced strong sustained growth and momentum, increasing its AUM from €8 billion at the time of investment to over €31 billion.

In 2025, BCI successfully exited the investment while maintaining a strategic limited partnership interest in key Hayfin funds. This investment yielded significant returns for BCI’s clients and serves as an example of the impact BCI Private Equity’s strategic efforts have had in building Hayfin into a preeminent alternative asset management firm. The initial Hayfin investment paved the way for growth across other BCI asset classes, unlocking additional opportunities in private debt through their direct lending and tactical credit strategies.

Since then, the program has invested directly in global names such as Refresco, BHC Chicken, BMS Group, and Authority Brands Group. The continued focus on direct investments highlights the program’s dedication to fostering long-term financial success. The allocation to direct investments now stands at 44 per cent compared to 20 per cent in 2016, and during that time, direct AUM has grown to \$15.4 billion today from \$1.6 billion.



# Real Estate Equity

Resilient real estate portfolio driven by a disciplined, high-conviction investment strategy.

Global real estate markets continued to see downward adjustments in valuations prompted by the higher cost of capital and elevated interest rates, which have broadly impacted investment and development activity. These challenges have also created opportunities, and QuadReal, BCI's real estate investment, development, and operating company, made \$5.1 billion in new equity commitments in residential, industrial, and alternative sectors.

Domestically, QuadReal's residential portfolio includes 10,000 multifamily units, with a robust pipeline of over 9,000 new units, including those as part of the mixed-use Oakridge Park redevelopment in Vancouver. Like many major developments in these market conditions, valuation and cost pressures have been challenging for the project. Phase 1 of the retail opening is set for Spring 2026.

Internationally, the portfolio now includes over 7,000 multi-family rental units in the U.K. and Ireland. As part of a venture winddown, QuadReal took control of four residential assets in the U.S., representing 1,467 units and \$665 million in gross asset value (GAV).

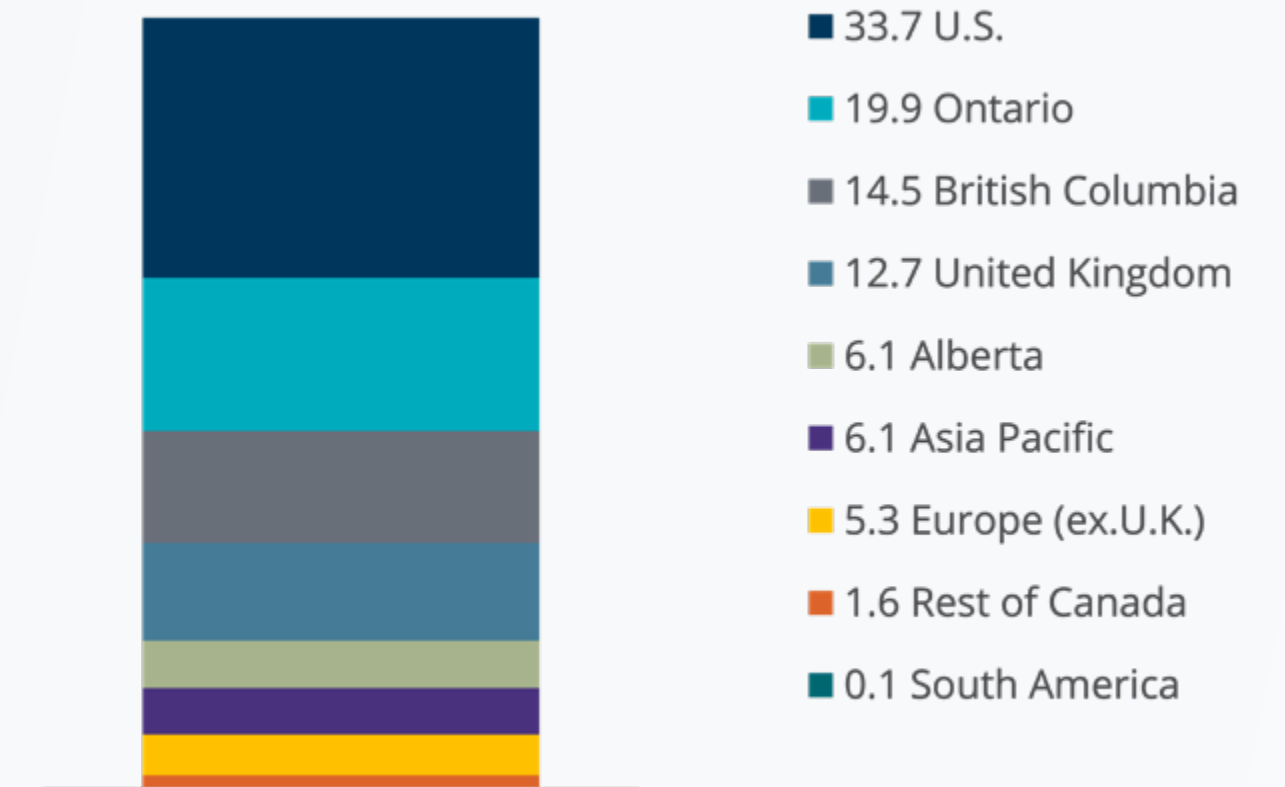
QuadReal remains focused on property sectors with sustainable income growth, driven by long-term tenant demand. The company focuses on sectors in high-growth cities within developed regions, offering population growth and liquidity. Focusing on active ownership and direct management, the team expanded its U.S. industrial asset management to increase control, reduce fees, and leverage resources. The directly managed U.S. residential portfolio grew to \$1.5 billion GAV, and the industrial portfolio to \$5.1 billion GAV.

QuadReal continues to pursue its goal of global sustainability leadership. More than 95 per cent of the Canadian portfolio boasts green certifications such as BOMA, LEED, Fitwel, and Energy Star. The team has begun to pilot BOMA projects in the U.S. portfolio. With an enhanced sustainability strategy that goes beyond certification, the Canadian portfolio excluding Parkbridge, has reduced its carbon footprint by over 35 per cent since 2007 without using carbon offsets or renewable energy credits.

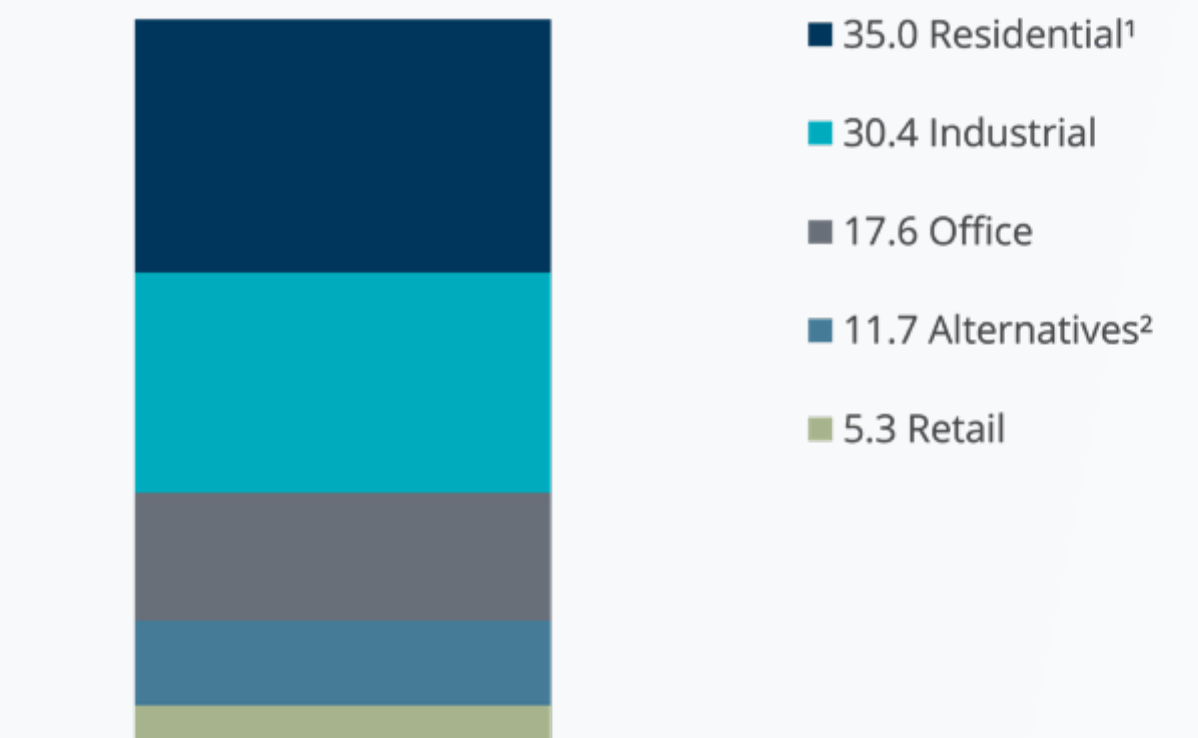
# 2.6%

**5-YEAR ANNUALIZED RETURN**

**GLOBAL DISTRIBUTION OF REAL ESTATE EQUITY PROGRAM (%)**



**REAL ESTATE EQUITY HOLDINGS BY PROPERTY TYPE (%)**





**HIGHLIGHTS**

- **Closed the acquisition** of Burbank Studios, a 25-acre film campus, from Warner Brothers in partnership with Worthe and Stockbridge. This marks QuadReal’s first studio acquisition and secured 85 per cent ownership alongside its partners.
- **Committed US\$950 million** to a second equity venture with T5, increasing exposure to the fast-growing data centre sector.
- **Purchased 10 U.S. manufactured housing assets** across Florida, Texas, Utah, and Colorado, totaling 3,523 pads with 99.4 per cent occupancy, managed by RHP Property Management.
- **Received approval for residential intensification** at Bayview Village, a boutique retail shopping centre in Toronto, featuring 471 residential units and 65,000 square feet of redeveloped retail space.



**INVESTMENT LOOKBACK**

# 2016 | QuadReal: Nearly a decade of dedicated client-focused real estate asset management

BCI established QuadReal in 2016 to manage our clients’ real estate equity and mortgages, now referred to as real estate debt. Operating within a robust governance structure, QuadReal’s Board of Directors features nine global real estate experts, appointed by BCI. This includes seven external members from the real estate industry and two from BCI’s executive management team, ensuring alignment with BCI’s clients’ investment objectives and values.

QuadReal is a real estate investment, development, and operating company managing assets worth over \$70 billion for BCI clients, investing in public and private markets. With over 1,900 professionals across 15 global offices, QuadReal’s growing investment and property management teams focus solely on real estate to identify and pursue high-conviction opportunities. In collaboration with BCI, QuadReal’s active in-house capabilities have deployed over \$11 billion on average per year across the debt and equity portfolio, while most other institutional investors lacked access to liquidity over the past four years.

As a distinct corporate entity, QuadReal offers numerous benefits for BCI’s clients. It can raise third-party capital, generate third-party asset management fee income, lower client costs, attract top-tier talent, and scale operations, while recycling investment capital into higher-return opportunities. QuadReal’s independence was also crucial in the partnership with RBC Global Asset Management (RBC GAM), where BCI sold a partial ownership stake in assets to RBC GAM. This initiative supported BCI’s objective to diversify its real estate portfolio globally while maintaining a strong domestic core. QuadReal continues to provide management services to these assets to uphold property standards.

Since its inception, the creation of QuadReal, separate from the investments in Real Estate, has generated over \$1.3 billion in value for BCI clients through the distributions made and the valuation of the organization. This real estate structure is set up to continue to benefit clients for years to come.



# Real Estate Debt

Dynamic real estate debt portfolio upheld by robust investment discipline and adaptation to shifting markets.

As central banks initiated interest rate cuts and property values began to stabilize, commercial real estate investment volumes rose in the second half of 2024. Capitalizing on the improved market conditions, QuadReal strengthened its strategy and established new lending partnerships to support long-term growth. The portfolio's credit quality remains strong, with loan repayments totalling \$2.6 billion in 2024—exceeding expectations.

QuadReal completed 35 deals totalling \$3.3 billion, with an even split between Canada and the U.S. Ninety eight per cent of these new investments were focused on sectors with strong conviction, including residential, industrial, and alternatives.

Notable deals included a \$108-million loan to a borrower group led by a global investment manager and a Maple 8 investor. The loan is secured by three fully leased industrial properties in the Greater Toronto Area, totalling 602,000

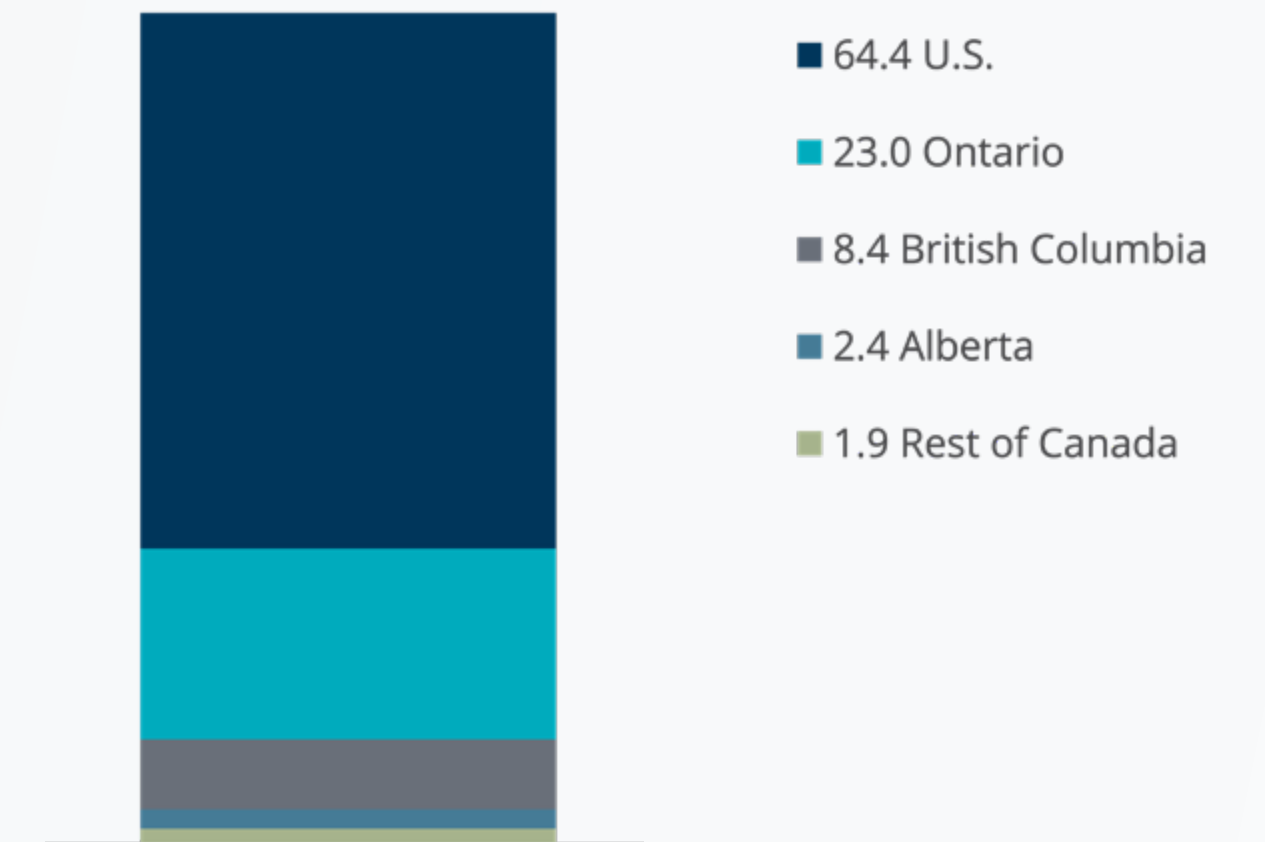
square feet and serving tenants across government, logistics, warehousing, manufacturing, and technology sectors. Another significant transaction involved a US\$189-million construction loan to a leading U.S. student housing operator to finance a 370-unit development in Ann Arbor, serving the University of Michigan.

The team continues to actively pre-screen all debt opportunities for climate resilience and conduct climate risk assessments, fully integrating these steps into the investment process.

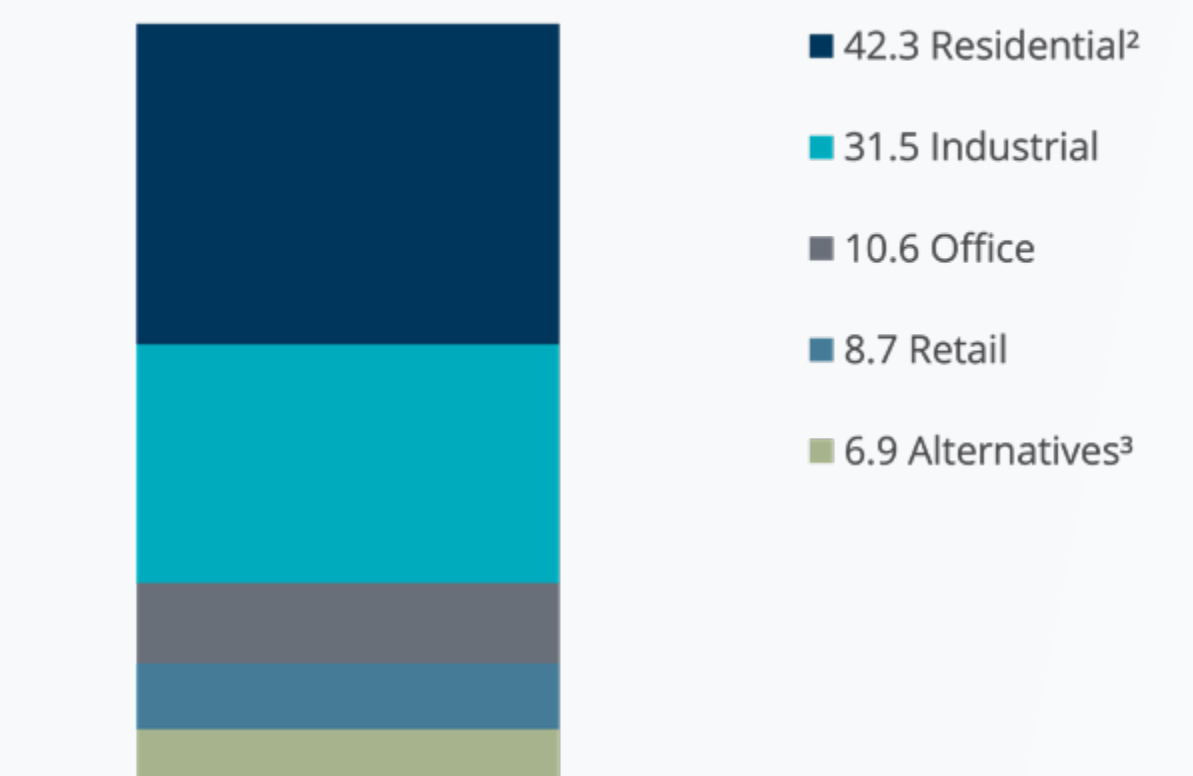
## 5.1%

**5-YEAR ANNUALIZED RETURN**

**GLOBAL DISTRIBUTION OF REAL ESTATE DEBT PROGRAM (%)**



**REAL ESTATE DEBT HOLDINGS BY PROPERTY TYPE (%)<sup>1</sup>**





**HIGHLIGHTS**

- **Added 20 new debt borrowers** to the portfolio, eight in Canada and 12 in the U.S. These new borrowers were exclusively for industrial and residential property types.
- **Deployed \$3.9 billion of capital** into new originations as well as existing construction loans.
- **Selectively increased fixed-rate loans to 36 per cent** of the program, up from 20 per cent two years ago, taking advantage of elevated bond yields and locking in higher interest rates.
- **Grew direct loan investments to 93 per cent** of the program, up from 85 per cent four years ago, as active management of direct assets and a reduction of third-party manager fees contribute to higher portfolio returns.

**INVESTMENT LOOKBACK**

# 2016 | The evolution of QuadReal's real estate debt strategy

From its inception, QuadReal has focused on underwriting high-quality loans with strong sponsorship in sought-after markets. The investment strategy has emphasized high-conviction sectors, including traditional sectors such as residential, office, and industrial, and evolving over time to emerging alternative sectors and targeted geographies.

Over the past four years, QuadReal's team has executed approximately 147 deals, amounting to \$13.2 billion in new commitments. This growth has increased the total portfolio GAV from \$4.8 billion to \$11.3 billion. Consistent

with QuadReal's strategy to expand internationally, the U.S. portfolio more than doubled in size during this period, reaching \$7.3 billion in GAV. The impressive growth of the portfolio, even with average loan terms of three to five years, lead to significant repayment volumes of \$2.6 billion in the past year alone, demonstrating the strong origination capabilities of QuadReal's real estate debt team.

The residential sector remains a key component of QuadReal's strategy. In 2018, QuadReal financed \$165 million for the construction of One Boerum, a 21-storey, 138-unit multi-family building in Brooklyn, New York. Brooklyn's rapid growth and consistently low submarket vacancy rate of three to five per cent over the last decade make it an ideal location. After refinancing the loan as a bridge loan in 2021, it was successfully paid off in full in May 2024.

By carefully selecting and investing in prime assets, QuadReal has built a strong portfolio, building upon BCI's 25-year legacy of delivering outstanding results and putting clients' first.





# Environmental, Social, Governance

How we deliver long-term, sustainable value for clients.

Guided by our investment beliefs, [ESG Governance Policy](#), and corporate-wide [ESG Strategy](#), BCI remains committed to strong ESG performance and supporting portfolio companies. Our investment strategy continues to be based on the belief that companies with strong ESG practices are better positioned to deliver long-term value creation.

Last year, we enhanced our reporting and communications with key publications that emphasize transparency and active ownership. BCI's inaugural [Stewardship Report](#) details our approach to ESG engagement, voting, and policy. We also published the 12th edition of our [Proxy Voting Guidelines](#), reaffirming BCI's commitment to using our voting rights to support corporate accountability and ESG performance in public markets. Built on two decades of industry experience, these updated guidelines raise the bar for companies across our global portfolio.

## ESG FOCUS

# Driving value creation in our portfolio.

At BCI, we integrate ESG across all asset classes, recognizing its role in shaping strategies and driving sustainable growth. As a leader in engagement, we are committed to fostering meaningful dialogue and collaboration across our portfolio.

In February 2025, **BCI Private Equity's inaugural ESG Value Creation Conference was a resounding success. Hosted by Evan Greenfield, Managing Director of ESG for Private Equity, BCI brought together key investment partners and portfolio companies for a day of education, dialogue, and sharing of best-in-class value creation practices attributable to sustainability.** The event spotlighted BCI's approach to ESG integration, from due diligence to exit, and showcased the tangible benefits on financial returns from active ESG engagement. Learn more on our [website](#).

**During the fiscal year, BCI leveraged its expertise to shape policy and industry standards by:**

- Supporting the release of the [Canadian Sustainability Disclosure Standards](#), which were shaped from input by investors including BCI
- Encouraging the adoption of sustainability disclosure standards in [Korea](#), Mexico, [Japan](#) and [Australia](#)
- Reviewing anti-greenwashing amendments to the federal *Competition Act* and participating in [public consultations on Bill C-59](#)
- Calling for [effective methane regulation](#) in the U.S. oil and gas industry

**BCI's leadership in ESG and governance continues to earn recognition.**

- Received a score of 100 per cent from Global SWF in its latest [Governance, Sustainability and Resilience \(GSR\) Scoreboard](#), a testament to BCI's industry-leading practices and commitment to accountability and transparency
- Achieved our highest-score of 92 in the 2024 [Global Pension Transparency Benchmark](#), ranking 4th on a global scale for Responsible Investment and 5th overall



Using our influence to drive performance and capture investment opportunities.

Our ESG integration approach involves embedding dedicated ESG experts alongside BCI’s investment teams, ensuring consistency and collaboration in each stage of the investment decision-making process, while recognizing differences in each asset class.

In fiscal 2025, we conducted 251 ESG assessments for public and private companies and evaluated the ESG practices of 31 external partners. BCI’s direct engagement reached 171 companies across public and private markets, and we participated in six collaborative initiatives targeting key ESG issues. We exercised our shareholder rights at 3,064 public company meetings in 54 countries, voting against 26.8 per cent of management proposals and supporting 51 per cent of shareholder proposals.

We also engaged with 40 external partners on ESG-related topics to improve practices and performance. This included encouraging our private equity general partners to participate in the ESG Data Convergence Initiative (EDCI) — a global initiative that has assessed ESG data from over 6,200 private companies. Approximately 63 per cent of BCI’s private equity general partners are reporting to the EDCI, compared to 57 per cent last year.

To affect broader market behaviour, we contributed to 22 ESG-related policy consultations, roundtables, and joint statements on topics such as climate change, sustainability disclosure and corporate governance globally.

**ESG FOCUS**

## Sustainable Bonds: Investing in real-world outcomes

BCI continues to seek opportunities to invest in sustainable bonds. These bonds, labelled green, social, or sustainability (GSS), offer our clients compelling investment returns and exposure to positive sustainability outcomes, including climate mitigation strategies.

Through primary market participation, our investments support issuers in directing funds toward tangible environmental and social solutions. As at fiscal year-end, BCI had subscribed to 140 sustainable bond offerings cumulatively, representing \$6.4 billion in support of 68 unique sovereign, supranational, agency (SSA), and corporate issuers. In the year, we invested in 18 GSS bonds worth \$1.07 billion.

Notable issuances BCI recently participated in include:

- **Bank of Nova Scotia’s \$1.25 billion sustainability bond issuance.** The use of proceeds categories include clean transportation, circular economy, affordable housing, and supporting women-owned businesses.
- **Two First Nations Finance Authority (FNFA) bonds,** cumulative issuance of approximately \$1 billion. These bonds finance economic development in First Nations communities including housing, community infrastructure, and power projects.



# Climate Action

Our commitment to support the global goal of net zero by 2050.

Since 2019, BCI’s total portfolio carbon footprint decreased by 56 per cent. Notably, we exceeded our expectation of a 30 per cent reduction in the weighted average carbon intensity (WACI) of the public equity portfolio by 2025, achieving a 34 per cent decrease from the 2019 baseline. A growing share of BCI’s most carbon-intensive investments are making progress on climate action. By raising our climate-related expectations and engaging directly with our carbon intensive investments, BCI is encouraging the adoption of mature transition plans, greater transparency, and stronger oversight of climate risks and opportunities. Ten per cent of our most carbon-intensive investments have set net-zero commitments, covering 25 per cent of our total portfolio carbon emissions. This progress keeps BCI on track toward our 2030 engagement goal.<sup>1</sup>

Our investment teams are also identifying opportunities in sectors and companies positioned to benefit from the transition to a low-carbon economy. By calendar year-end, BCI’s total exposure to climate-related opportunities reached \$12.1 billion.

Further strengthening our advocacy, Jennifer Coulson, Senior Managing Director & Global Head ESG, joined the Financial Institution Advisory Committee for Business Future Pathways. This newly established group provides voluntary guidance to Canadian companies on transition planning – advancing the adoption of transition plans that are decision-useful for investors.

For more details, please refer to our complete climate-related disclosures on [pages 66 to 80](#).

## ESG FOCUS

# Contributions to Climate Action 100+

Climate Action 100+ (CA100+), established in 2017, is a global network of over 600 investors focused on engaging the world’s largest corporate greenhouse gas emitters. The initiative supports global engagements with nearly 170 companies to drive progress on climate action.

BCI has actively contributed to CA100+ since its inception, participating in 13 collaborative engagements. In the last fiscal year, we had a lead, co-lead or contributing role with ten companies in North America and Asia.

CA100+ is governed by a global Steering Committee composed of ten investor representatives. We are pleased that Anne-Marie Gagnon, Director ESG, was recently appointed to the CA100+ Steering Committee. Her appointment further strengthens BCI’s involvement and supports our influence to encourage global carbon-intensive investments to set mature net-zero-aligned commitments.

**Despite a backdrop of geopolitical and economic uncertainty, CA100+ continued to see [results](#) among its target companies:**

- 80 per cent committed to achieve net zero by 2050 for at least Scope 1 and 2 emissions
- 90 per cent of company boards have oversight of climate change risks and opportunities
- 88 per cent explicitly commit to aligning with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations or International Sustainability Standards Board standards.

In 2024, emissions performance data showed 65 per cent of target companies reduced emissions intensity. However, major corporate emitters, especially in oil, gas, utilities, and auto sectors, still require stronger climate transition plans.



# Risk Management

## Implementing BCI's Integrated Risk Governance Framework

Risk management is integral to BCI's culture and operations. Effective risk management necessitates comprehensive knowledge of capital markets, legislation, investment products, business practices, and internal controls. We anticipate risks, implement measures to limit exposure or seize opportunities, and manage outcomes efficiently.

**Enterprise Risk Management**

**Investment Risk Management**

### INTEGRATED RISK GOVERNANCE

As our investment strategies became more dynamic and global, and we actively managed assets in-house, we required new ways to identify, assess, and either mitigate or seize opportunities from investment risks. Our risk management processes evolved with our investment strategies to maximize long-term, risk-adjusted returns and preserve our clients' capital.

In fiscal 2016, BCI established the Integrated Risk Governance Framework, which aligned risk responsibilities and governance through two streams: the Enterprise Risk Management Committee (ERMC) and the Investment Risk Committee (IRC). This strategic move allowed BCI to build specialized risk teams and allocate sufficient resources to mitigate risks effectively, ultimately enhancing our ability to protect and serve the interests of our clients.

These committees support the CEO/CIO in managing all risks, assist BCI's Board in its risk oversight, recommend risk policies for approval by BCI's Board, and approve other risk governance documentation.

The Chief Operating Officer (COO), who chairs the ERMC, has delegated authority to manage non-investment risks. The ERMC advises and assists the COO in managing all enterprise risks.

The CEO/CIO, who chairs the IRC, retains authority for managing investment risks. The IRC advises and assists the CEO/CIO in managing investment risks.

To ensure integration between the two committees, the COO and Executive Vice President, Investment Strategy & Risk, or their delegates, are members of both committees.

This framework strengthens the ability of BCI's Board to oversee risk management.

Our governing documents for managing risk include our clients' statements of investment policies and procedures, as well as BCI's corporate policies, directives, and procedures. An Integrated Risk Governance Framework enables the alignment of all risk-taking decisions with the related governance documentation.



# Enterprise Risk Management

Today's dynamic operating environment requires an agile and grounded enterprise risk management (ERM) program.

The Enterprise Risk Management (ERM) team guides BCI in embedding ERM within the organization's culture and practices. Our corporate-wide view enables BCI to take the appropriate amount of non-investment risk to maximize opportunities while preserving stability. Originally a one-person generalist function, the program has evolved into a team of in-house experts in strategic and business risk, insurance, and business continuity. Well-connected with peers and industry leaders, the ERM team works closely with management to identify new risks, evaluate and adapt our approach, and report critical information to executive leadership and the BCI Board to enable faster, more flexible decision-making. This includes helping employees to detect and prevent risks early — particularly in areas that can result in reputational impacts or critical operational interruptions — and implementing customized insurance coverage that adapts to BCI's growth and global reach. This proactive approach strengthens operational resilience, helping avoid unnecessary costs and disruptions caused by preventable events.

**In fiscal 2025, the ERM team expanded BCI's corporate risk management program through the following initiatives:**

- Brought together business unit leaders and in-house and external experts to assess new and evolving enterprise risks, working collaboratively to find innovative solutions to navigate emerging risks
- Augmented risk analytics capabilities to drive insights and enrich risk reporting
- Developed seven risk playbooks outlining key risk attributes – drivers, impacts, mitigation strategies and monitoring methodologies - to support consistent and effective risk evaluation and monitoring
- Developed BCI's operational resilience framework, a coordinated plan that brings together senior, technical, and communication leaders to quickly and effectively respond to unexpected events. Additionally, the ERM team guided the creation of the Operational Resilience Directive, which reinforces the framework





# Investment Risk Management

Evolving investment risk management to navigate market turbulence, seize opportunities, and protect client capital.

BCI’s investment risk management function has evolved to support the implementation of our strategy, respond to changes to the financial landscape, and support our clients’ objectives. From a modest beginning, the Investment Risk team has grown to more than 34 individuals who bring expertise from diverse fields to support a comprehensive, multi-faceted approach to managing risk. Throughout the years, the emphasis has remained on providing risk advisory services to internal and external partners and independent oversight of investment risks, while ensuring BCI maintains a firm-wide risk-aware culture.

The team prioritizes developing capabilities designed to help implement client strategies and manage the associated risks. It also positions BCI to seize investment opportunities when they arise via careful management of liquidity and other key risks.

Reflecting the growing market and increases in client allocations to credit and private asset classes, the team has devoted significant effort in recent years to enhancing credit risk measurement tools and private markets risk management capabilities and capacity.

The Investment Risk Management Framework targets both overall portfolio risks and risks at the individual client level, recognizing clients’ unique situations and risk preferences. For example, we conduct scenario analysis and stress test potential geopolitical and macroeconomic risks to see how they could impact individual client objectives and their investment strategies.

This has always been an important aspect of portfolio risk management, but is becoming even more so given recent pressures on traditional economic and multilateral alliances and the implications for financial markets. BCI’s goal is to help clients develop strategies that deliver on their key objectives while remaining resilient to short-term volatility from market shocks, which helps keep the focus on the long-term horizon.



## INVESTMENT RISK MANAGEMENT FRAMEWORK

BCI's Investment Risk Management Framework plays a dual role: it offers support and advice and provides independent oversight of investment risk. This framework strengthens the BCI Board's ability to oversee risk management.

**Our investment risk framework focuses on the management of the following key risks:**

<b>Concentration Risk</b>	<b>Counterparty Risk</b>
<b>Credit Risk</b>	<b>ESG Risk</b>
<b>Funding &amp; Contribution Risk</b>	<b>Leverage Risk</b>
<b>Liquidity Risk</b>	<b>Market Risk</b>

For details on our framework, visit [BCI.ca/managing-risk](https://www.bci.ca/managing-risk)

# QuadReal Property Group Oversight

BCI's Investment Strategy & Risk (ISR) department, supported by BCI's Legal and Finance departments, is responsible for the oversight function of QuadReal from a top-down and total portfolio perspective, and on an annual basis evaluates and recommends QuadReal's Strategy and its Investment and Capital Plan for approval by the BCI CEO/CIO. The ISR department reports on BCI's oversight activities to the Investment Risk Committee on an ongoing basis. BCI's Management Investment Committee also reviews QuadReal's real estate equity and debt transactions exceeding specific thresholds.

Additional oversight activities by BCI include reviewing fees, evaluating benchmarks and other success measures, managing cash reserves, and financing.





# Business Plan

Since BCI's inception, effective business planning has been essential for achieving long-term financial sustainability for our clients.

Our business plan outlines our strategic ambitions, identifies the initiatives we will pursue to achieve these goals, and communicates the rationale for our business activities to our clients. It is refreshed every three years and serves as a guide to fulfilling our mandate to protect the long-term value of our clients' portfolios.

This year, we initiated a new three-year business plan. The strategic direction of the fiscal 2025-2027 plan is shaped by several factors, including the increasingly competitive low-return landscape, the funding positions of our clients, which currently range from 103 to 133 per cent, the need for increased cash flow for some clients to meet obligations to beneficiaries, and our interest in new sources of diversification.

## BCI's F2025-2027 Strategic Ambitions

### AMBITION 1:

## Driving Sustainable Growth

In a low-return environment, the value added through BCI's investment activities is crucial to helping clients meet their actuarial required returns and stay on track with their funding goals. As part of this ambition, we are developing absolute return strategies, refining currency management, and exploring new private market growth opportunities to strengthen and diversify our portfolio.

### AMBITION 2:

## Accelerating Innovation

BCI is fostering a culture of innovation and continuous improvement to maintain our world-class investment and client service offering. This year, we introduced new tools for idea management and expanded employee training in AI, cybersecurity, and emerging technologies. We also leveraged AI and advanced analytics to bolster investment decision-making, streamline operations, and improve efficiency. AI-powered tools are augmenting market research, risk assessment, and data processing across asset classes. Additionally, we are modernizing our compliance policies to address global trends in AI and cyber fraud prevention.

### AMBITION 3:

## Operating on a Global Scale

BCI's offices in New York and London increase access to global investment opportunities and top talent while strengthening asset management capabilities. In London, we expanded our Infrastructure & Renewable Resources team and established a Private Equity presence to improve deal origination and governance. We are also increasing our focus on high-growth emerging Asian markets and selectively on developed Asian markets, making our first direct I&RR investment in Japan.

To support our global expansion, we are strengthening operational capabilities by developing internal legal expertise and refining regional regulatory compliance. We continue to develop global talent through internal mobility programs and secondments to strengthen our culture across borders. As markets evolve, we are adapting our operations to ensure seamless transactions and 24/7 investment support.



AMBITION 1:

## Driving Sustainable Growth

We are pursuing the following initiatives:

- Growing client assets through value-creation strategies
- Growing our scale with new AUM, sources of income, and deal flow

### F2025 Accomplishments:

- Expanded infrastructure investments
- Grew private and infrastructure debt
- Strengthened private equity by bringing in new talent and expertise

AMBITION 2:

## Accelerating Innovation

We are pursuing the following initiatives:

- Accelerating a culture of innovation by developing a clear strategy
- Accelerating the use of modern technology, AI, and analytics

### F2025 Accomplishments:

- Leveraged AI and advanced analytics to bolster investment decision-making, streamline operations, and improve efficiency
- Introduced new tools for idea management and expanded employee training in AI, cybersecurity, and emerging technologies

AMBITION 3:

## Operating on a Global Scale

We are pursuing the following initiatives:

- Broadening our global presence and managing our reputation
- Developing our global operational capabilities

### F2025 Accomplishments:

- Expanded our Infrastructure & Renewable Resources team in London and established a Private Equity team there as well to improve deal origination, investment oversight and value creation.
- Invested in the sale and leaseback of Rakuten Mobile Inc.'s telecommunication towers in Japan, marking our first direct I&RR investment in the country.



# People & Culture





# Executive Management Team

BCI is guided by an experienced executive management team that strategically aligns the corporation's objectives with clients' investment needs and expectations.



**GORDON J. FYFE**

Chief Executive Officer/  
Chief Investment Officer



**SHAUNA LUKAITIS**

Chief Operating Officer



**DANIEL GARANT**

Executive Vice President &  
Global Head, Public Markets



**NORINE HALE**

Executive Vice President,  
Human Resources



**DAVID MORHART**

Executive Vice President,  
Corporate & Investor Relations



**LINCOLN WEBB**

Executive Vice President &  
Global Head, Infrastructure &  
Renewable Resources



**JIM PITTMAN**

Executive Vice President &  
Global Head, Private Equity



**RAMY RAYES**

Executive Vice President,  
Investment Strategy & Risk



# Senior Management Team

The senior management team reports to the Chief Operating Officer and leads the operations functions. These professionals oversee the essential operational components that underpin BCI.



**MONIQUE BROSSAU**

Senior Vice President,  
Investment Operations



**MICHEL DROLET**

Senior Vice President,  
Corporate Risk & Audit and  
Chief Audit Executive



**RECHELLE EFFENDY**

Senior Vice President,  
Finance & Chief Financial  
Officer



**JENNIFER HARTFIELD**

Senior Vice President,  
Corporate Data & Operations



**TONY PAYNE**

Senior Vice President,  
Technology & Innovation and  
Chief Technology Officer



**JEREMY TRICKETT**

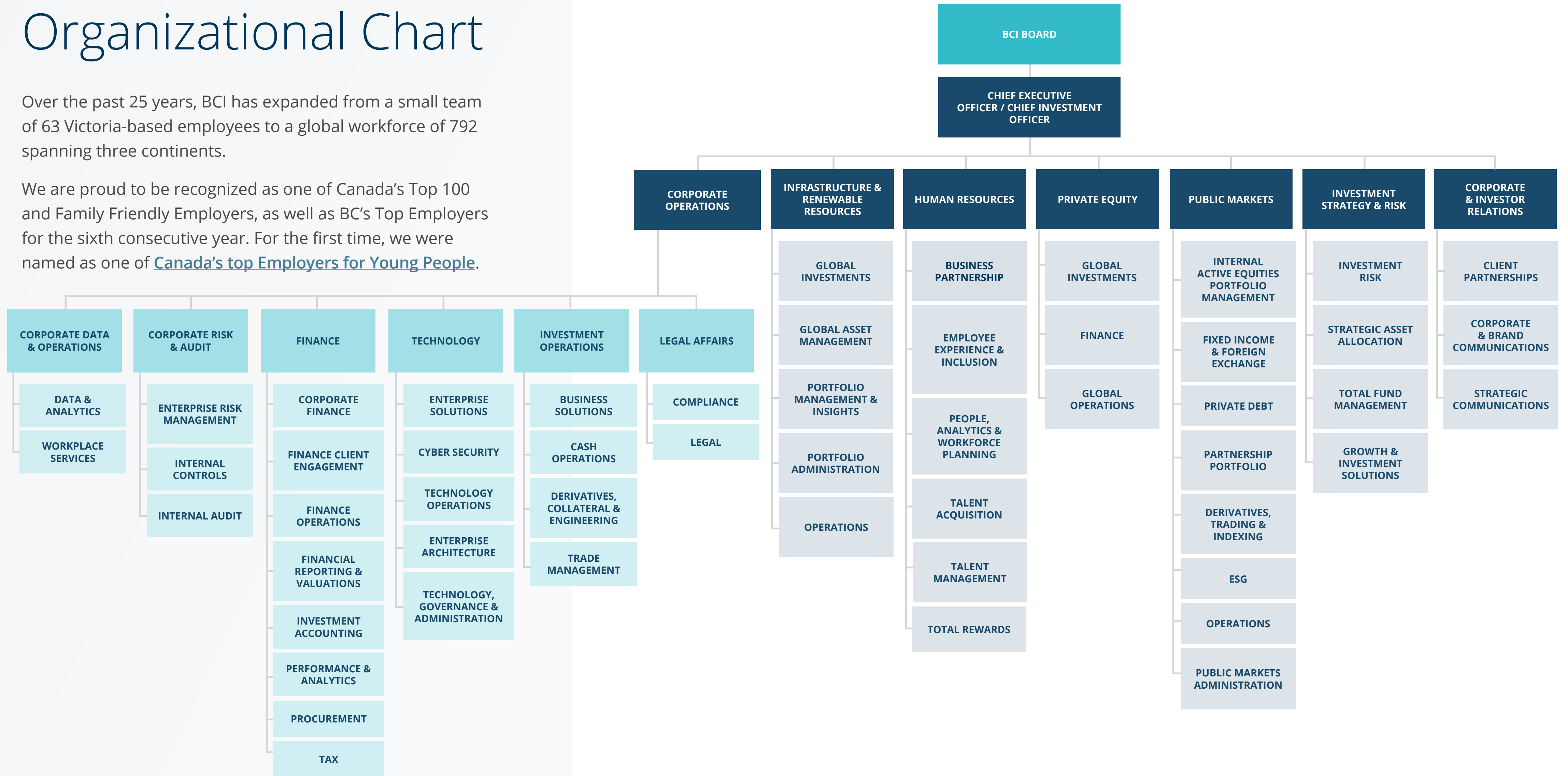
Senior Vice President, Legal  
Affairs & Chief Legal Officer



# Organizational Chart

Over the past 25 years, BCI has expanded from a small team of 63 Victoria-based employees to a global workforce of 792 spanning three continents.

We are proud to be recognized as one of Canada's Top 100 and Family Friendly Employers, as well as BC's Top Employers for the sixth consecutive year. For the first time, we were named as one of [Canada's top Employers for Young People](#).





# Employee Engagement

Strong employee engagement rooted in values alignment.

In 2025, we conducted an engagement pulse survey to gather insights into employee experiences and the impact of actions taken in response to the prior year’s employee engagement survey. The pulse survey focused on areas such as job satisfaction, physical work environment, career growth, fair compensation, and innovation. With an impressive 94 per cent participation rate, the survey provided valuable perspectives from employees across all departments and locations. The results indicated a positive trend in our engagement score, and employees continued to express strong alignment with BCI’s corporate values and vision, feeling a profound sense of purpose in their daily work: securing long-term financial sustainability for British Columbia public sector clients.

Additionally, we saw a positive shift in employee sentiment regarding significant improvements to the physical work environment made under a strategic facilities plan.

Employees value opportunities for internal career development and growth. BCI offers comprehensive training and development for employees and implements career maps to empower employees with tools and training to build

fulfilling careers and take their skills to the next level. We also heard from employees that they see our culture as being both collaborative and inclusive.

Our commitment to inclusive talent development remains strong, and we believe that early career training is essential to building a diverse talent pipeline. Celebrating its tenth year, our co-op program saw 181 students complete 238 work terms. Over the last decade, BCI has provided hands-on work experience to nearly 900 students from Canadian and international post-secondary institutions. To address the specific systemic barriers that Indigenous people face, BCI launched the Indigenous Empowerment Scholarship Program. Now in its second year, the program recognized and provided scholarship funds and co-op work terms at BCI to three exceptional students.

Our headcount saw a modest rise, with a net increase of 22 employees from last year. We remain committed to internal talent development and our effective recruitment processes, which ensure talent alignment with the role and the organization.

## GIVING BACK

# BCI’s 2,000 Hour Volunteer Challenge

Every BCI employee receives paid volunteer time to give back to causes they care about and make our communities better for all. This year, BCI set an ambitious goal to collectively volunteer 2,000 hours, more than double the hours volunteered the year before. Thanks to the dedication of our people, we surpassed our goal and contributed over 2,300 hours to more than 90 organizations and causes such as Junior Achievement British Columbia (JABC), Power to Be, and the Victoria Native Friendship Centre.

We continue to build on this momentum, empowering our people to make a difference in the communities where we live and work.





# Employee Experience & Inclusion

Empowering our workforce through inclusivity and innovation

## INCLUSION

An inclusive workplace is critical to our ability to access great talent, retain our highly skilled team members, drive business insights, and ultimately deliver better long-term returns for our clients. Everyone at BCI plays a role in promoting a fair and equitable workplace. Since launching our first Equity, Diversity and Inclusion (EDI) Strategy in 2020, we have made substantial progress.

### Notable accomplishments include:

- Forming the EDI Leadership Council
- Conducting an employee Self-Identification Census
- Developing the corporate Accessibility Plan
- Celebrating milestone events such as Black History Month, International Women’s Day, Arab Heritage Month, Asian Heritage Month, Pride, National Day for Truth & Reconciliation, and Latin American Heritage Month

Gender	Women & Non-binary	Men
Total BCI	40%	60%
Executive Management	36%	64%
Non-Executive Management	34%	66%
Professionals	38%	62%
Support	81%	19%

Gender disclosure reflects data from all permanent employees.<sup>1</sup>

## Race & Ethnicity

Total BCI	45%
Executive Management	20%
Non-Executive Management	38%
Professionals	47%
Support	35%

Race & Ethnicity disclosure reflects the percentage of permanent employees who participated in the voluntary self-identification census and selected one or more of the following Races/Ethnicities: Asian, Black, Indigenous, Latin Hispanic, and/or Middle Eastern.

- Developing the Respectful Workplace Directive and Raise a Concern Procedure
- Providing training and learning opportunities to increase employee awareness and understanding of diversity and inclusion

Over the past two years, our EDI strategy has laid a solid foundation for a fair and equitable workplace. We aim to further integrate these principles into all HR programs, especially those focused on employee experience.

Our EDI strategy will undergo a review in fiscal 2026 to ensure that our practices continue to align with our business needs in creating an inclusive workplace.

## DIVERSITY

Just as having a well-diversified investment portfolio can mitigate risk and enhance returns, cultivating a diverse workforce allows an organization to harness a wide range of perspectives and skills, fostering innovation and driving better business outcomes.

In 2022, BCI conducted a voluntary census to collect confidential employee demographic data to inform HR programs. Using data-driven strategies for recruitment, engagement, and retention, we gained insights to enhance the employee experience and meet future workforce needs. Analyzing our employee demographics and sentiments helps us diversify our workforce and foster an inclusive organizational culture.

## ACCESSIBILITY

Accessibility is part of BCI’s broader commitment to equity, diversity, and inclusion.

This year, with oversight from BCI’s Accessibility Committee, we released our Accessibility Plan to align with best practices and to meet the requirements of the *Accessible British Columbia Act*. To learn more about our Accessibility Plan, visit [BCI.ca/accessibility](https://www.bci.ca/accessibility).



# Corporate Governance

## BCI Board of Directors

Dedicated to building on our 25-year history of world-class governance standards.

### BCI BOARD COMPOSITION

BCI was established by the *Public Sector Pensions Plans Act* (“Act”) in 1999. The Act requires the BCI Board to have seven Directors, as follows:

- One Director appointed by each of the following boards from among its membership: College Pension Board, Municipal Pension Board, Public Service Pension Plan Board, and Teachers’ Pension Plan Board
- Two Directors appointed by the Minister of Finance for British Columbia who are representative of clients other than those listed above
- One Director appointed by the Minister of Finance for British Columbia designated as the Chair of the BCI Board

These nominating bodies are aware of our criteria for the knowledge, experience, and skill set we look for in Directors.

All Directors and the BCI Board Chair are non-executive Directors and independent of management.





## GOVERNANCE FRAMEWORK

The Act outlines that the BCI Board and CEO/CIO responsibilities include, among others:

BCI Board	CEO/CIO
Appoint CEO/CIO (the Act states the CIO is the CEO), set their remuneration, and review and monitor their performance	Supervise day-to-day operations, including a determination of which assets to buy and sell, and ensure the prudent and appropriate management of funds
Oversee BCI's operations	Report to the BCI Board on the operations of BCI Report to each client regarding the management and investment performance of their funds
Establish an employee classification system and compensation scale	Hire staff and external managers
Approve policies (including pooled fund investment policies), conflict of interest guidelines, auditors, business plan, and budget	Establish policies and procedures to meet operational objectives Prepare business plan and budget

The BCI [Board Mandate](#) provides details on how the BCI Board discharges the duties and responsibilities outlined in the Act, and the [Code of Conduct](#)<sup>1</sup> establishes minimum standards of conduct expected of each BCI Director.

Investment professionals, under the supervision of the CEO/CIO, make all investment decisions within the framework of the policies approved by the BCI Board and the policies established by BCI's clients.

## BCI BOARD COMMITTEES

The BCI Board has two standing committees.

- The Audit Committee, consisting of a minimum of two Directors, meets at least three times a year and oversees the audit programs, financial management controls, financial reporting, and compliance matters.
- The Human Resources and Governance Committee (HRGC), consisting of at least two Directors, meets at least three times a year and reviews human resource strategies, compensation philosophy, succession management, performance incentive plans, employee classification systems, and board governance.

The CEO/CIO attends all BCI Board and HRGC meetings, the Chief Operating Officer (COO) attends all Audit Committee meetings on behalf of the CEO/CIO, and the Executive Vice President, Human Resources, attends all HRGC meetings. No management attendee is a Director.



## DIRECTOR DEVELOPMENT

BCI has developed and implements custom onboarding and orientation processes for each new Director, based on their experience and expertise. Upon their appointment to the BCI Board, the CEO/CIO and members of the Executive and Senior Management teams provide a detailed and comprehensive orientation tailored to the Director’s needs. This onboarding is designed to foster an understanding of:

- BCI’s governance framework, including the BCI Board’s structure and separate responsibilities of the BCI Board and CEO/CIO
- BCI’s organizational structure and operations
- BCI’s employee classification system and compensation scale
- BCI’s products, investment activities, budget, business plan, and policies
- BCI’s clients, including client investment agreements and policies
- BCI’s asset classes and their strategies
- BCI’s integrated risk framework
- BCI’s key partners, collaborators, and interested parties
- Essentials of financial reporting

Ongoing Director education is an important component of Director development. BCI budgets for continuing education courses and conferences for individual Directors and maintains an Institute of Corporate Directors board membership. Additionally, an annual review is conducted to determine areas of further education to improve the BCI Board’s knowledge of the business and support their oversight role.

## DIRECTOR COMPETENCIES, SKILLS, AND EXPERIENCE REVIEW

The BCI Board undertakes an annual review of Directors’ collective skills, experience, and desired competencies. The matrix identifies the competencies expected of all Directors and asks Directors to disclose their level for a set list of skills and experience. The results are used to determine Directors’ key skills and experience, which informs decisions about education and development opportunities, and desired skills and experience for incoming Directors. Collectively, the current Directors’ key skills and experience include pensions, governance, senior/executive leadership, strategic planning, and enterprise risk management.

## BCI BOARD EFFECTIVENESS

Reflecting BCI’s belief that good governance requires our commitment to continuous improvement and adherence to governance best practices, the BCI Board assesses its effectiveness annually, using an external facilitator every two years or at another cadence agreed upon by the BCI Board. This year, the BCI Board engaged an external facilitator to conduct a review of its effectiveness.

## DIRECTOR ATTENDANCE

The BCI Board meets every quarter, with additional meetings arranged as required. In fiscal 2025, the BCI Board met as a whole six times, the Audit Committee met four times, and the HRGC met three times. Directors who are not members of a committee may observe those meetings.

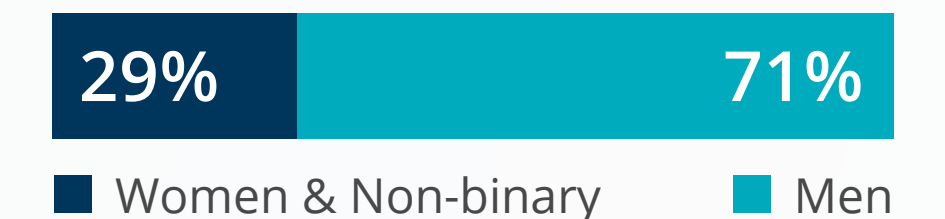
Individual Directors’ attendance details are included in their profiles on [pages 57 to 58](#).

## DIRECTOR DIVERSITY

The following chart outlines the diversity of members of the BCI Board during fiscal 2025 based on Directors’ self-assessment:

### BCI Board

#### Gender



#### Race & Ethnicity

29%

Race & Ethnicity disclosure reflects the voluntary self-identification of all Directors who selected one or more of the following Races/Ethnicities: Asian, Black, Indigenous, Latin Hispanic, and/or Middle Eastern.



## DIRECTOR REMUNERATION

The Act provides that BCI pays Directors' remuneration, which has been set by the BCI Board and is consistent with the Province of British Columbia's Treasury Board guidelines. Directors are paid an annual retainer and meeting fees for their service on the BCI Board and its committees. A Director is also compensated for attending meetings as a representative of BCI. If a Director receives remuneration from their employer for BCI Board or committee service, a component of their remuneration from BCI is paid to their employer.

For fiscal 2025, the total remuneration for the BCI Board was \$253,376.71<sup>1</sup> (2023–2024: \$281,199.78).

2024-2025

### Director Remuneration

	Annual Retainer	Committee Chair Fee	BCI Board Meeting Fee	Committee Meeting Fee	Total
<b>Peter Milburn</b>	\$38,406	-	\$9,124	-	\$51,350 <sup>3</sup>
<b>Reg Bawa</b>	\$19,203	-	\$8,646	\$3,841	\$31,689 <sup>4</sup>
<b>Weldon Cowan</b>	\$19,203	-	\$8,636	\$2,885	\$30,724 <sup>5</sup>
<b>Paul Finch</b>	\$19,203	-	\$8,646	\$2,885	\$31,212 <sup>6</sup>
<b>Gayle Gorrill</b>	\$19,203	\$6,401	\$9,124	\$3,841	\$39,523 <sup>3</sup>
<b>Donna Lommer</b>	\$19,203	\$704	\$8,646	\$4,816	\$33,369
<b>Tom Vincent</b>	\$4,876	-	\$2,438	\$975	\$8,289

### BCI Board Remuneration

Position	Year	Annual Retainer <sup>2</sup>	Per Diem <sup>2</sup>
<b>BCI Board Chair</b>	2025	\$39,007.96	\$975.17
	2024	\$38,205.64	\$955.11
	2023	\$36,700.91	\$917.50
<b>Director</b>	2025	\$19,503.39	\$975.17
	2024	\$19,102.24	\$955.11
	2023	\$18,349.90	\$917.50
<b>Audit Committee Chair</b>	2025	\$6,501.51	\$975.17
	2024	\$6,367.79	\$955.11
	2023	\$6,117.00	\$917.50
<b>HRGC Chair</b>	2025	\$6,501.51	\$975.17
	2024	\$6,367.79	\$955.11
	2023	\$6,117.00	\$917.50
<b>Committee Member</b>	2025	-	\$975.17
	2024	-	\$955.11
	2023	-	\$917.50



# BCI Board & Committee Appointments

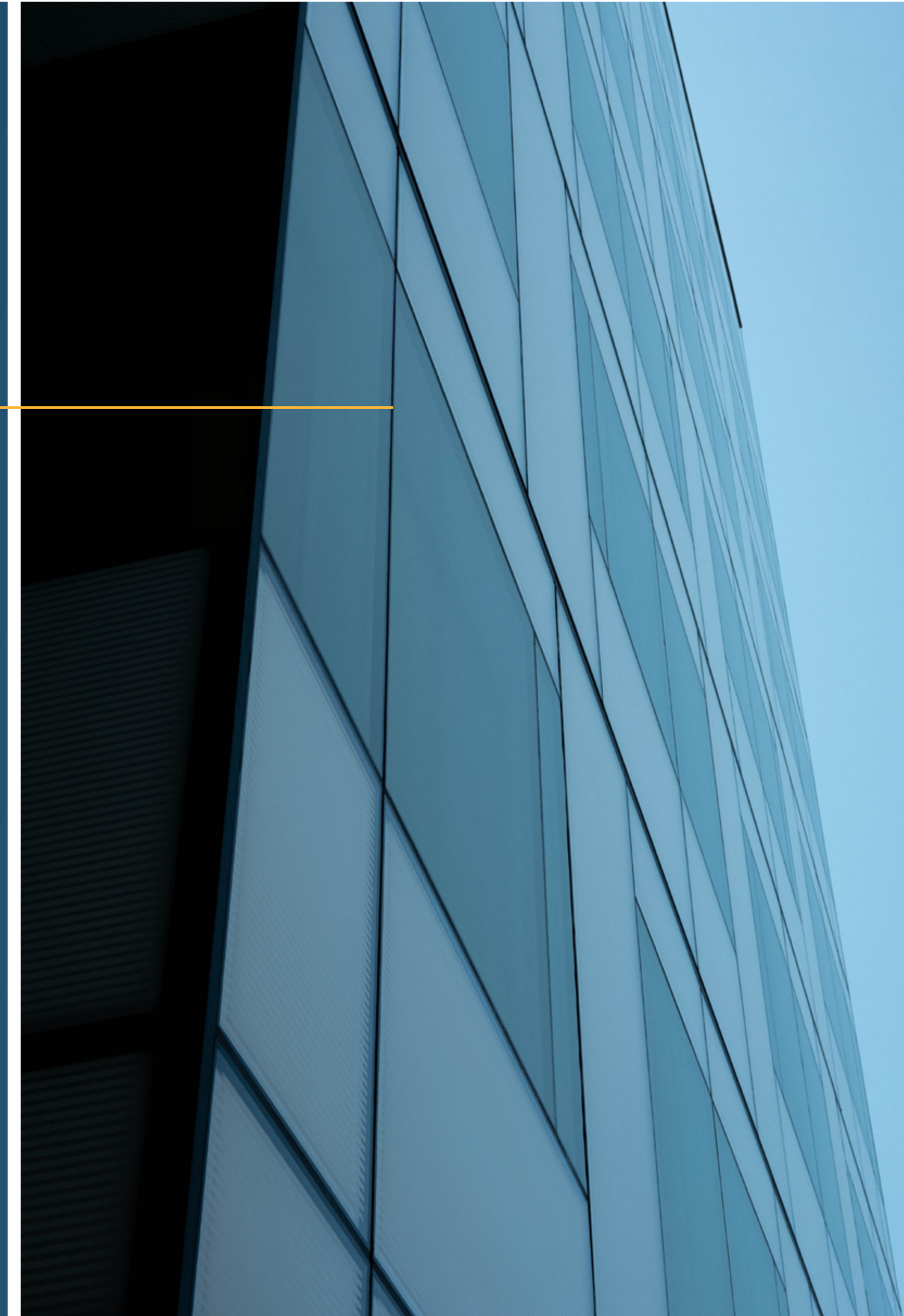
	Director Since	Current Term End Date	Appointed By	Role	BCI Board & Committee Appointments	Attendance
	December 31, 2016	December 31, 2025	Minister of Finance	Chair	BCI Board	6/6 - 100%
	January 1, 2024	December 31, 2026	Teachers' Pension Board	Board Director	BCI Board	6/6 - 100%
					Audit Committee Member	4/4 - 100%
	September 1, 2021	August 31, 2027	College Pension Board	Board Director	BCI Board	5/6 - 83.33%
					HRGC Member	3/3 - 100%



	<b>Paul Finch</b>	April 1, 2019	March 31, 2028	Public Service Pension Board	Board Director	BCI Board	6/6 - 100%
						HRGC Member	3/3 - 100%
	<b>Gayle Gorrill</b>	June 18, 2018	June 18, 2025	Minister of Finance	Board Director	BCI Board	6/6 - 100%
						Audit Committee Chair	4/4 - 100%
	<b>Donna Lommer</b>	January 1, 2019	December 31, 2027	Municipal Pension Board	Board Director	BCI Board	5/6 - 83.33%
						Audit Committee Member	4/4 - 100%
						HRGC Chair (as of February 2025)	1/1 - 100%
	<b>Tom Vincent</b>	February 14, 2025	December 31, 2027	Minister of Finance	Board Director	BCI Board	1/1 - 100%



# Compensation Discussion & Analysis





# Compensation Discussion & Analysis

Exceptional global talent achieving long-term results for our clients.

Over our 25-year history, BCI has attracted top talent from around the world. Our competitive approach to compensation is part of this success, providing competitive base salaries and incentive pay to employees across the organization, supporting professional development, and offering rewarding career opportunities such as secondments and rotation programs. Our approach ensures that our talent is engaged and has the sophisticated, cutting-edge skills required to continue delivering long-term value for our clients.

We are accountable to our clients for investment returns and the costs involved in managing their funds. As such, our incentive programs are designed to align the interests of management and clients.

## HUMAN RESOURCES AND GOVERNANCE COMMITTEE MANDATE

The Human Resources and Governance Committee (HRGC) assists the BCI Board in ensuring BCI retains a highly effective and engaged team, and that BCI’s human resource practices align employee performance with client expectations.

### The HRGC monitors and makes recommendations to the BCI Board on the following:

- Trends and external market practices for compensation, benefits, and terms and conditions of employment
- Job classification system and compensation scale
- Comparators and competitive positioning of compensation
- Performance incentive plans
- Oversight of risks associated with human resources activities
- Employee code of conduct provisions
- Succession planning
- Professional development and training strategies
- New human resources strategies and supporting policies
- Self-evaluation plans of the BCI Board and its committees
- Best practices and trends in board governance

The HRGC currently consists of three Directors, appointed by the BCI Board, with diverse backgrounds and experience in business and human resources. Donna Lommer is the Chair. Paul Finch and Weldon Cowan are Committee members. The CEO/CIO and Executive Vice President, Human Resources attend the meetings.

The HRGC meets at least three times a year. The Committee met on three occasions in fiscal 2025 and in-camera sessions were held at each meeting.

## COMPENSATION CONSULTANTS & EXTERNAL SOURCES

The BCI Board conducts a comprehensive review of BCI’s Compensation Philosophy and structure every three years with the support of an external advisor. The next triennial review of the Compensation Philosophy, pay levels, and pay mix — the proportions of base salary and other incentive pay — is set for fiscal 2026.

For all roles, the BCI Board looks at similar and/or equivalent positions within BCI’s peer group, which consists of the Alberta Investment Management Corporation, Caisse de dépôt et placement du Québec, the Canada Pension Plan Investment Board, the Healthcare of Ontario Pension Plan, the Investment Management Corporation of Ontario, the Ontario Municipal Employees Retirement System, the Ontario Teachers’ Pension Plan, and the Public Sector Pension Investment Board.



For non-investment roles, BC Crown/public sector organizations are included in the salary reference sample. Additionally, sample data may be drawn from the broader financial services sector, general industry, and/or custom data sources.

The BCI Board uses the Willis Towers Watson Investment Management Compensation Survey as the primary source of data. Secondary data sources include broader Canadian investment management organizations and other external data. Surveys include positions ranging in seniority and responsibilities. Willis Towers Watson conducts formal market surveys in which BCI participates annually.

BCI also regularly participates in ad hoc or custom surveys sponsored by different market providers and/or peer organizations.

Market data is regularly reviewed to ensure that BCI pay levels are appropriately targeted and that our actual pay levels reflect the performance we achieve and closely align with our clients' returns.

## COMPENSATION PHILOSOPHY

### BCI's Compensation Philosophy is:

- We pay our people competitively in the markets in which we compete for talent and with consideration to internal equity and job structure.
- We aim for actual pay to be around the median of the market for target or expected levels of performance, and around the upper quartile of the market for excellent performance.

The philosophy is principles-based and emphasizes pay-for-performance, long-term results, and meeting clients' expectations. It provides the framework for all compensation-related decisions and practices.

BCI is committed to providing employees with competitive and equitable total compensation opportunities. Total compensation includes base salary and incentive pay, as well as benefits, pension contributions, and perquisites. Employees based outside of Canada are eligible to participate in defined contribution pension plans established based on local regulations and aligned with local market practices.

### BCI's compensation practices are guided by the following principles:

- Aligned to, and support, BCI's short- and long-term strategies and objectives to ensure value for money
- Responsive to the different markets in which we compete for talent

- Managed on a total compensation basis
- Value cost-effectiveness and ease of administration
- Recognize differences in individual performance and reinforce desired behaviours
- Communicated clearly and consistently
- Provide a level of base salary, incentives, and benefits that is sufficiently competitive in the relevant markets
- Maintain consistency and equity, and establish an internal job hierarchy

## COMPENSATION GOVERNANCE

BCI's governance framework outlines the roles and responsibilities related to compensation and aligns with industry best practices.

### The framework includes the following governance authorities:

- The BCI Board makes all structural and strategic decisions including: BCI's Compensation Philosophy; annual incentive plan (AIP) and long-term incentive plan (LTIP) policies; measures of return within the AIP and LTIP policies; and the inclusion of multi-year returns for asset classes. The BCI Board approves the overall investment long-term absolute return benchmark, and approves the individual pooled funds benchmarks and overall investment return performance objectives (target and maximums) annually.



- The Executive Talent and Compensation Committee (ETCC) makes administrative and performance measurement decisions related to AIP calculation criteria, including value driver weightings for AIP and multi-year timeframe for department and portfolio returns. The ETCC also reviews all benchmark and performance objective recommendations, including the overall investment return and absolute return benchmark, for further approval by the CEO/CIO, as appropriate. The Committee comprises the Executive Management Team and is chaired by the Executive Vice President, Human Resources. The Chair may invite BCI participants outside of the Executive Management Team, as appropriate.
- The Investment Risk Committee reviews all benchmark and performance objective recommendations for further consideration by the ETCC. This includes required performance objectives (target and maximums) for each pooled fund, asset class, and overall investment return, and all pooled fund benchmarks and related governance and implementation requirements. The Committee comprises key members of the Executive Management Team as well as BCI's investment risk professionals.
- The framework allows the BCI Board to focus on aligning strategic decisions with the Compensation Philosophy. It also formalizes the decisions made at BCI's Board discretion and those delegated to BCI management.

### PAY TRANSPARENCY

BCI is subject to the Government of British Columbia's *Pay Transparency Act*, which was enacted in 2023 to address the province's gender pay gap. In compliance with the Act, BCI includes pay information, including the expected salary range, in all B.C.-based job postings.

### JOB EVALUATION AND CLASSIFICATION PLAN

BCI's job evaluation and classification plan is based on external benchmarking and a "job family" system comprising four categories. The plan provides internal consistency and measures knowledge, complexity, responsibility, and working relationships required of all positions.

#### The plan's four job categories are:

- **Investment:** actively involved in the financial management and/or support of an asset portfolio or investment activities requiring an investment professional.
- **Management/Leadership:** works at a high operational and/or strategic level where decisions generally influence corporate policy and performance, and leadership of employees represents a significant portion of overall responsibilities.
- **Professional/Technical:** provides advanced knowledge in an area of expertise to give technical direction and leadership for a process, system, and/or functional area to protect the company and minimize risk.

- **Enterprise Support:** provides information and/or support for various operations and processes.

### COMPENSATION STRUCTURE

Our compensation structure includes a base salary, benefits, and pay-for-performance remuneration (variable pay) through the AIP and LTIP for senior roles. As a statutory corporation with one share with a par value of \$10, BCI does not issue share options to our employees.

**Base Salary:** Salary ranges are aligned with the results of custom and published surveys. Salaries are evaluated annually, and increases are based on employees' respective performance evaluations.

**AIP:** To achieve the objectives set out in our business plan, we must attract, retain, and motivate skilled professionals. As BCI's compensation structure emphasizes pay-for-performance, all employees are evaluated on an annual basis. Assessments are based on the individual's accountabilities and their specific contribution to BCI's business plan.

All permanent and fixed-term employees are eligible to participate in the AIP. The plan provides employees with the opportunity to receive additional compensation based on the achievements of corporate objectives, investment performance, and individual efforts.

The AIP includes three value drivers for the asset classes and two value drivers for the non-asset-class departments. Determination of an AIP payment is based on investment return performance and on the results of an employee's



performance evaluation. The portion paid based on investment return performance is conditional upon employees producing value-added investment performance relative to market and/or client benchmarks. The weighting assigned to each of the value drivers may differ by position depending on the role and its impact on corporate performance.

**Driver 1 Overall Investment Return Performance:** Overall investment return performance is measured 70 per cent against relative industry benchmarks and 30 per cent against clients’ absolute return objectives. The value-added component for relative returns is assessed net of investment management fees and expenses. This driver is intended to align overall investment performance with client expectations and requirements.

To reinforce that long-term investment returns matter and to ensure alignment with BCI’s long-term investment horizon, the relative return is measured over a five-year timeframe, and the absolute return is measured on a 10-year basis.

**Driver 2 Individual Contribution:** The employee’s performance is measured against the accountabilities assigned to their role as outlined in their individual scorecards. This is intended to encourage and reward high performance.

**Driver 3 Investment Department Performance:** Performance is measured against the five-year market benchmarks for the asset class. Depending on the role, a greater weighting of total incentive pay is placed on the results of department and portfolio returns.

The maximum value-added objectives are consistent with client mandates and BCI’s investment approach. These are designed to discourage excessive risk-taking consistent with BCI’s investment philosophy of focusing on long-term results.

**LTIP:** This plan is designed to attract and retain senior-level employees and align their commitment with our longer-term investment results.

The plan provides a significant portion of compensation tied to the achievement of long-term investment performance and aligns employee total compensation to the long-term interests of our clients.

LTIP supports retention by deferring the receipt of a meaningful portion of compensation.

The long-term value-add measure in AIP is also used in LTIP, ensuring that a single measure is used for both plans. This further emphasizes long-term returns. The LTIP total award is disbursed over a three-year period with a maximum award of 100 per cent for each year. New employees participating in LTIP are eligible to receive the first payment after completing the first fiscal year of employment.

## BENCHMARKS AND COMPENSATION

BCI pursues a principles-based approach to asset class and portfolio benchmark selection. All benchmarks for fiscal 2025 and the value-add performance objectives (excess return targets and maximum) associated with each benchmark for incentive compensation calculations were reviewed in accordance with BCI’s Benchmarking Policy.

The provisions apply to all pooled funds, asset classes, and other investment-related benchmarks and address the overall investment return performance, which is used as driver 1 for AIP and LTIP programs.

## PERFORMANCE ASSESSMENT

BCI’s net assets under management grew by \$22.2 billion during the year to \$251.6 billion, reflecting investment gains of \$21.9 billion and client net contributions of \$0.3 billion.

As our clients have long-term financial obligations, we focus on meeting and exceeding their return expectations. Returns are important — for every \$100 a pension plan member receives in retirement benefits, on average \$75 is provided by BCI’s investment activity.

Multi-year results are the best measure of BCI’s performance. Over a five-year period, the combined pension plan portfolio (representing BCI’s six largest



pension plan clients) has generated an annualized return of 8.9 per cent against a benchmark of 9.0 per cent. This underperformance represents (\$2.7) billion of value-added activity.

Over a 10-year period, BCI generated an annualized return of 7.4 per cent against a benchmark of 7.1 per cent. This outperformance represents \$1.6 billion of value-added activity.

Over the 20-year period, BCI generated an annualized return of 7.8 per cent against a benchmark of 7.2 per cent. BCI outperformed the benchmark by 0.6 per cent, representing \$8.5 billion of value-added activity.

BCI's long-term returns exceeded the required actuarial rates of return for all major pension plan clients. As a result, our pension plan clients' most recent funding ratios vary from 103 per cent to 133 per cent. The value-added performance is calculated as the clients' total portfolio return (net of all costs and fees) minus the benchmark return multiplied by the opening market value.

### LONG-TERM INCENTIVE PLAN CREDITS AND PAYMENTS

BCI's multi-year performance generated a total award for fiscal 2025 of 72 per cent, with 100 per cent being the maximum towards a current and future long-term incentive plan grant.

LTIP total awards and instalments are derived from the past five and 10 years of returns related to relative industry benchmarks and absolute client return objectives, respectively. Total awards are deferred and disbursed in three equal instalments over three years.

### TOTAL COMPENSATION

The total cost of salaries and benefits for our entire employee complement was \$367.7 million in 2024–2025 (14.6 cents per \$100 of net assets under management) compared to \$315.1 million in 2023–2024 (13.7 cents per \$100 of net assets under management).

The year-over-year change in total compensation was driven by growth in headcount, the various markets in which we compete for talent, and additional costs related to retiring expenses.

As of March 31, 2025, BCI had 792 permanent employees compared to 770 at the end of fiscal 2024. This represents an 2.9 per cent year-over-year increase in the size of our workforce.

### EXECUTIVE COMPENSATION

Total compensation for BCI's named executive officers was \$26.4<sup>1</sup> million in 2024–2025 (\$24.9 million in 2023–2024). The AIP and LTIP payments for the CEO/CIO and the other named executive officers reflect the industry-aligned pay-for-performance compensation levels. Payments reflect the investment performance for the fiscal year and recognize their individual contributions and those of their respective departments.

The compensation of the five named executive officers in place at fiscal year-end, with comparable amounts for 2023–2024 and 2022–2023, is disclosed in the Summary Compensation Table on [page 65](#).



### Top 5 Executive Summary Compensation Table

Name And Principal Position	Year	Currency	Base Salary	Annual Incentive <sup>1,2</sup>	Long-Term Incentive Plan <sup>1,2</sup>	Pension Contributions <sup>3</sup>	Other Benefits <sup>4</sup>	Total Compensation <sup>5</sup>
<b>Gordon J. Fyfe</b> Chief Executive Officer/ Chief Investment Officer	2024-2025	CAD	\$700,672	\$1,807,734	\$2,691,618	\$73,446	\$286,572	\$5,556,043
	2023-2024	CAD	\$673,723	\$1,861,497	\$2,508,054	\$70,417	\$278,109	\$5,391,800
	2022-2023	CAD	\$641,641	\$1,924,923	\$2,143,097	\$66,956	\$267,871	\$5,044,488
<b>Daniel Garant</b> Executive Vice President & Global Head, Public Markets	2024-2025	CAD	\$585,000	\$1,428,570	\$1,520,714	\$62,053	\$199,798	\$3,794,635
	2023-2024	CAD	\$562,000	\$1,447,824	\$1,424,360	\$59,413	\$192,467	\$3,686,064
	2022-2023	CAD	\$515,000	\$1,416,250	\$1,181,952	\$54,482	\$173,835	\$3,341,518
<b>Lincoln Webb</b> Executive Vice President & Global Head, Infrastructure & Renewable Resources	2024-2025	CAD	\$585,000	\$1,428,570	\$1,441,267	\$62,053	\$203,146	\$3,715,535
	2023-2024	CAD	\$525,000	\$1,352,505	\$1,246,974	\$55,768	\$177,140	\$3,357,387
	2022-2023	CAD	\$475,000	\$1,306,250	\$999,594	\$50,542	\$159,029	\$2,990,415
<b>Ramy Rayes</b> Executive Vice President, Investment Strategy & Risk	2024-2025	CAD	\$475,000	\$1,021,250	\$1,087,869	\$51,218	\$157,729	\$2,788,566
	2023-2024	CAD	\$450,000	\$1,036,125	\$933,479	\$48,381	\$139,654	\$2,607,639
	2022-2023	CAD	\$390,000	\$975,000	\$634,212	\$42,169	\$119,648	\$2,161,029
<b>Jim Pittman</b> Executive Vice President & Global Head, Private Equity <sup>6</sup>	2024-2025	USD	\$675,000	\$2,050,650	\$1,400,656	\$43,952	\$63,906	\$4,234,164
	2023-2024	USD	\$600,000	\$1,967,280	\$1,090,517	\$35,646	\$208,888	\$3,902,330
	2022-2023	CAD	\$475,000	\$1,306,250	\$999,594	\$50,542	\$158,175	\$2,989,561



# Annual Climate-related Disclosures

## Aligning with Global Climate-related Disclosure Standards

In December 2024, the Canadian Sustainability Standards Board (CSSB) published the Climate-related Disclosures Standard (CSDS 2), which provides a comprehensive framework for climate-related disclosures in Canada. This reporting standard closely follows the global baseline for sustainability disclosures created by the IFRS Foundation and the International Sustainability Standards Board (ISSB). To the extent possible, BCI's annual climate-related disclosures have been informed by CSDS 2. This standard builds upon existing reporting frameworks and recommendations, and uses the same structure as the Task Force on Climate-related Financial Disclosures (TCFD), which BCI has followed since 2018. As BCI evolves our disclosures to align with CSDS 2, elements of our past disclosure will be retained to ensure consistency for readers.



# Governance

BCI's governance around climate-related opportunities and risks.

**CSDS 2 Standard:** Understand the governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities.

BCI operates under a dual accountability model as set out in the *Public Sector Pension Plans Act*, which provides the legislated accountability we have to our clients and the BCI Board of Directors. Our clients set out their investment policies and management frameworks, and BCI's Chief Investment Officer (CIO) is accountable to each client for their investment returns and the management of their funds.

BCI's Board of Directors are appointed by our clients and British Columbia's Minister of Finance. The BCI Board is accountable for overseeing BCI's operations and ensuring proper reporting and accountability to our clients.

## OUR BOARD'S ROLE

BCI's Board is not involved in making investment decisions but is actively involved in ensuring that all key operational risks and investment risks are analyzed by BCI and reported to clients. The BCI Board approves the [ESG Governance Policy](#) and reviews it on an annual basis. The ESG Governance Policy establishes the governance framework and articulates the general approach and related roles and responsibilities at BCI regarding ESG. The policy applies to all ESG issues, including climate change which is specifically addressed by the BCI Board and BCI executive committees. The BCI Board also evaluates revisions to our overall approach and specific actions we are taking to address climate change.

In fiscal 2025, the BCI Board received progress updates on BCI's Climate Action Plan and updates on the climate signposts we monitor. The BCI Board reviewed key performance indicators (KPIs) for the ESG program including indicators relating to climate risk and our climate-related engagement activities. BCI's Audit Committee received and evaluated recommendations on how BCI can strengthen our climate-related reporting and board oversight to better align with global standards and growing client expectations.

## MANAGEMENT'S ROLE

BCI's CEO/CIO and senior management committees review and approve our climate strategy and climate-related risk management approach. BCI's ESG Governance Policy, Climate Action Plan, and ESG Strategy assign responsibility to the senior management committees to oversee the state of climate-related risks and BCI's progress toward achieving each component of our strategy. For individual investment decisions, the Management Investment Committee receives climate-related risk and opportunity analysis as part of every investment risk review, where material. Detailed physical and transition climate change risk analysis is reviewed by asset class investment teams where climate-related opportunities, value creation ideas, mitigation measures, and valuation impacts are addressed. Climate-related investment opportunities may also be presented and approved at the CEO/CIO level where authority has not been delegated to other senior executives within the corporation.



# Strategy

The actual and potential impacts of climate-related opportunities and risks on BCI's operations, strategy, and financial planning.

**CSDS 2 Standard:** Understand BCI's strategy for managing climate-related risks and opportunities.

Climate change continues to present opportunities and risks across all timeframes and is a key systemic risk expected to continue impacting all markets and investments that BCI makes on our clients' behalf. The convergence of economic uncertainty, geopolitical tensions, and the 1.5°C temperature threshold breach in 2024 presents significant challenges to achieving global net zero by 2050. However, BCI's active management approach and Climate Action Plan execution continue to demonstrate progress in managing portfolio climate risks and advancing real-economy decarbonization.

## Transition Risks and Opportunities

**Short term**  
5 years

Overall regulatory and economic uncertainty combined with a changing geopolitical environment cast a significant shadow over the global goal of achieving net-zero emissions by 2050. Over the past year, we have seen support for climate policy rollbacks and increasing supports for fossil fuels in key political environments. This creates uncertainty for investors and corporates who are now rethinking the market dynamics and pricing surrounding the energy transition. While investments in climate solutions reached more than \$2 trillion in 2024, this is only a quarter of what estimates say are required. The policy uncertainty and regulatory headwinds could result in further investment delays. Thanks to technological advances and large-scale deployment, costs for low-carbon technologies are decreasing, but deployment is too slow to achieve the required emission cuts. Finally, emissions from fossil fuels, especially coal, are still expanding globally leading to rising temperatures. BCI's policy advocacy in the short term will continue to promote regulatory and policy ambition and certainty to increase the pace of action toward the global goal of net zero by 2050. This is an investment opportunity that will require many kinds of capital. BCI is actively evaluating where different forms of capital will be needed by the market and where this leads to investment opportunities across the portfolio.

**Medium term**  
10 – 15 years

Transition opportunities and risks are expected to increase in importance for pricing assets across all markets but will vary by region. The transition opportunities will solidify for some industries and sectors in the medium term. We see capital-intensive sectors needing the most policy support to create the right market conditions to scale clean technologies. Companies that enable low-carbon electricity grids, alternative green sources of energy, and decarbonization of the industrials sector will present transition opportunities for investors.

**Long term**

Over the long term, an orderly transition to a low-carbon economy that is aligned with a net-zero (1.5°C) scenario will ultimately benefit our clients' portfolios. However, current global government commitments are not sufficient to meet that goal. BCI's engagement and advocacy efforts will continue to focus on supporting public policies and regulations that enable an orderly and predictable transition and aim to prepare companies to be resilient under any scenario. BCI will continue to use our influence as a large institutional investor to help avoid the negative long-term economic outcomes that may result from climate change, which is crucial for meeting our long-term return objectives.

## Physical Risks

In the short term, physical risks to BCI's investments are expected to materialize in isolated incidents across the portfolio. These short-term manifestations of the long-term warming we are experiencing are actively evaluated and considered across investments. Due diligence is conducted where material physical risks are identified. Data that allows BCI to fully analyze these risks is improving. Mitigation measures are included where appropriate, such as purchasing adequate insurance, creating climate change adaptation plans, or disposing of assets.

Physical risks from climate change increase in likelihood and severity under all climate change scenarios and, in the medium term, have the potential to impact real assets and supply chains as these risks become more explicitly priced-in. To manage this risk, BCI uses specialized physical risk tools and data to evaluate such damages across all time frames.

We understand there will be long-term physical impacts due to climate change and that extreme weather events will be greater in frequency at higher degrees of warming. A high warming scenario is expected to negatively impact the portfolio performance over the long term, illuminating the need for investments in adaptation and adjusting portfolios accordingly.



## STRATEGY AND DECISION-MAKING

BCI has created a [Climate Action Plan](#) to identify and manage the climate-related risks and opportunities across all aspects of our investment activities.

The plan comprises four parts: Manage Risks; Integrate; Seek Opportunities; and Engage & Advocate. Climate-related risks and opportunities are factored into each asset class and investment strategy in a consistent manner while adapting the specific approach to the asset class context.

BCI integrates climate-related considerations into our investment decisions using various tools, such as scenario analysis, sensitivity analysis, physical risk assessment, ESG assessments, SDI Asset Owner Platform (AOP) data, and external surveys. We use our ESG Risk and Opportunity Framework to measure and evaluate the exposure of each asset class to climate change risks and opportunities under different scenarios.

## CLIMATE RESILIENCE AND CLIMATE SCENARIO ANALYSIS

We use internal scenarios based on Network for Greening the Financial System (NGFS) data to estimate the net economic impacts of climate change across all asset types. Each asset class has different climate risks and opportunities, and we use specialized tools and processes to factor them into our investment decisions.

## BCI'S CLIMATE SCENARIO ANALYSIS

### 1.5°C Scenario

Rapid and extensive decarbonization across all industries, with short-term transition costs but long-term economic benefits. High demand for low-carbon energy infrastructure and critical minerals.

### 2°C Scenario

Similar to 1.5°C, but less ambitious decarbonization and less transition investment in the short term. Low-carbon infrastructure still offers substantial investment opportunities.

### 3°C Scenario

Slow and partial decarbonization, with less immediate impact on the energy system but more severe physical damages in the medium and long term. Supply chain disruption and food insecurity create chronic impacts.

By using climate risk management tools, we aim to enhance the resilience of our portfolio companies and create a climate-resilient investment strategy across all asset classes.





# Risk Management

BCI'S process for identifying, assessing and managing climate-related risks.

**CSDS 2 Standard:** Understand the process for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities.

Climate risks are assessed during due diligence and throughout the investment lifecycle to ensure climate change is an ongoing consideration in the investment decision, asset management, and stewardship activities. Each asset class identifies, analyzes, prioritizes, and monitors material climate change risks and opportunities for new and existing investments.

## ENGAGEMENT ACTIVITY

Based on our assessment of material ESG risks in our portfolio, climate change has been a top engagement priority for BCI for more than a decade. We engage with company management, boards, regulators, and standard-setting bodies through four main activities:

- **Proxy Voting:** we continue to increase our expectations of companies regarding climate-related disclosure, targets, plans, and performance. Increasingly, we are asking public companies to enhance their disclosure of climate-related risks, provide their emissions data, set science-based targets, and incorporate climate assumptions and risk assessments in their audited financial statements. We support shareholder proposals on climate change, where the proposals align with our engagement objectives, and/or to publicly signal our expectations that companies must act quickly to address this systemic risk. BCI pays close attention to the disclosures, targets, and practices of our most carbon-intensive investments to inform our assessment of the maturity level of their net-zero plans.

In cases where these companies are not meeting our expectations or not progressing toward doing so, BCI may hold relevant directors accountable for weak responses to climate change risks. To implement this, we employ several watchlists to identify companies that fall short of our expectations.

- **Direct Engagement:** we focus on improving climate change performance and achieving better disclosure from invested companies.
- **Collaborative Engagement:** we work with our peers globally to improve disclosure related to climate change, as well as ask companies to take action to reduce GHG emissions. In fiscal 2025, we participated in four collaborative engagements targeting more than 3,400 companies. For example, BCI has been actively involved in [Climate Action 100+](#) since 2017 and participates in efforts to encourage the world's largest GHG emitters to meet the objectives of the Paris Agreement.



- **Policy Advocacy:** we advocate for policy changes that will improve the investing environment for long-term investors, including ten climate-related policy submissions in fiscal 2025, such as submissions supporting the adoption of the IFRS Sustainability Disclosure Standards and strengthening methane regulations in the U.S. and Canada.

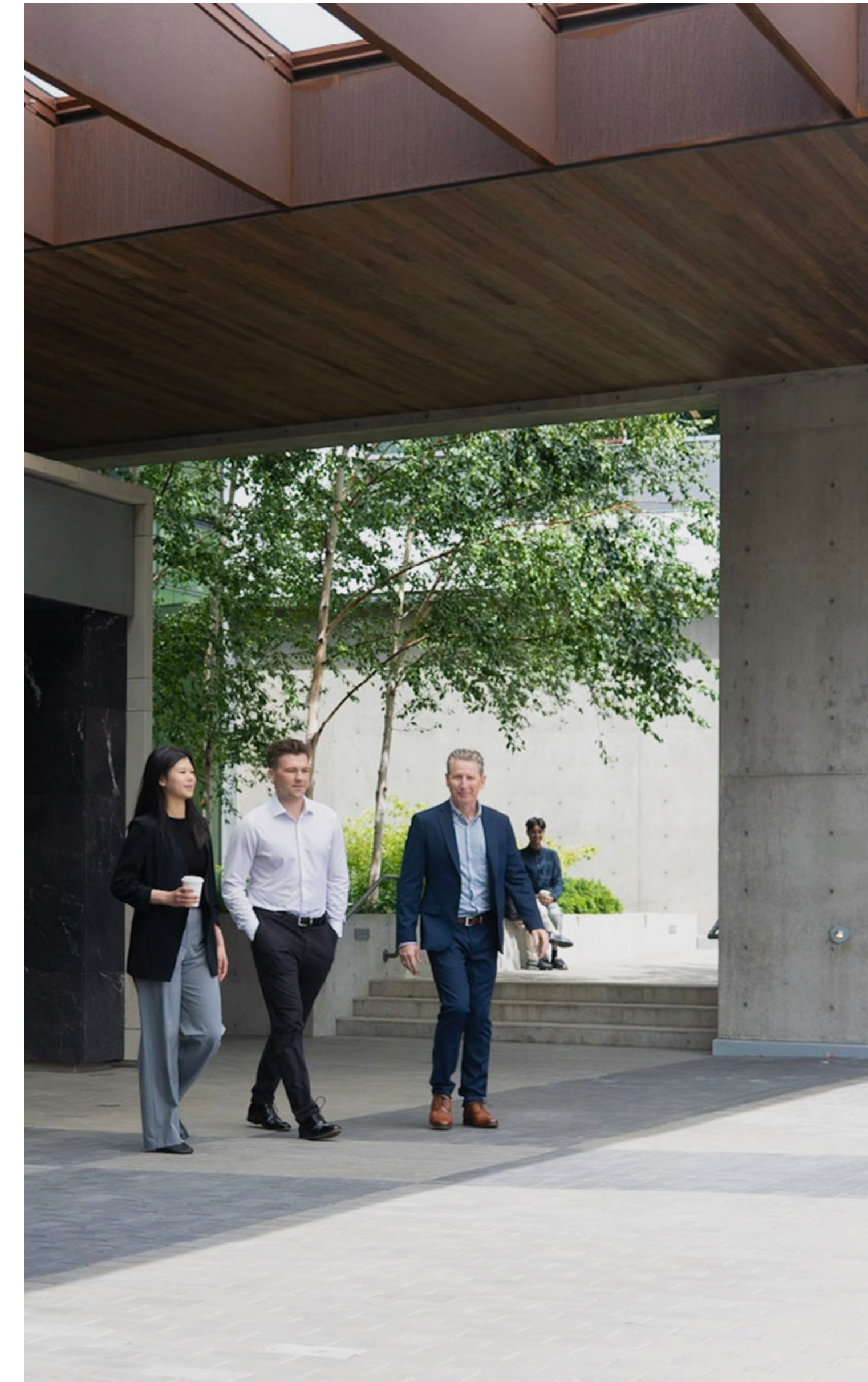
This strategy promotes a stable, transparent, and ultimately, improved investment environment. We continue to expand our efforts across all investments and asset classes to ensure our climate-related engagement influences all areas of the investment universe.

**RISK MANAGEMENT**

Managing climate-related risks starts with ensuring that a detailed evaluation of the risks is incorporated into each investment decision. Dedicated teams across the organization provide analysis and insight into investment decisions to ensure climate-related risks are managed throughout the investment lifecycle. Outputs from climate change scenario analysis, carbon footprint data, and physical risk assessments are provided to our clients, portfolio managers, the executive management team, and BCI’s Board.

In our public market investments, climate change indicators are integrated into internally managed, fundamental active equity mandates largely based on the SASB framework. In our private market investments, we conduct or commission and review reports on legal, environmental, regulatory, and other climate factors in direct private asset due diligence. BCI has developed a materiality assessment that includes climate for private markets also based on SASB. We use the outcomes of this analysis to engage with portfolio companies to ensure they are appropriately acting to mitigate and plan for these risks and where possible, taking advantage of opportunities to add value to their business.

Climate-related risk management at the total portfolio level occurs through ongoing updating and modelling of climate change scenarios and integrating decision-useful data that informs investment strategy and asset allocation decisions. Individual investments that receive investment risk reviews are assessed for material climate change risks and, where material, are factored into the ESG risk assessment that is delivered to the investment committee.





# Metrics & Targets

The metrics and targets BCI uses to assess and manage relevant climate-risks and opportunities.

**CSDS 2 Standard:** Understand BCI’s performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set.

BCI’s Climate Action Plan includes the metrics we follow to track our progress. The primary metrics include:

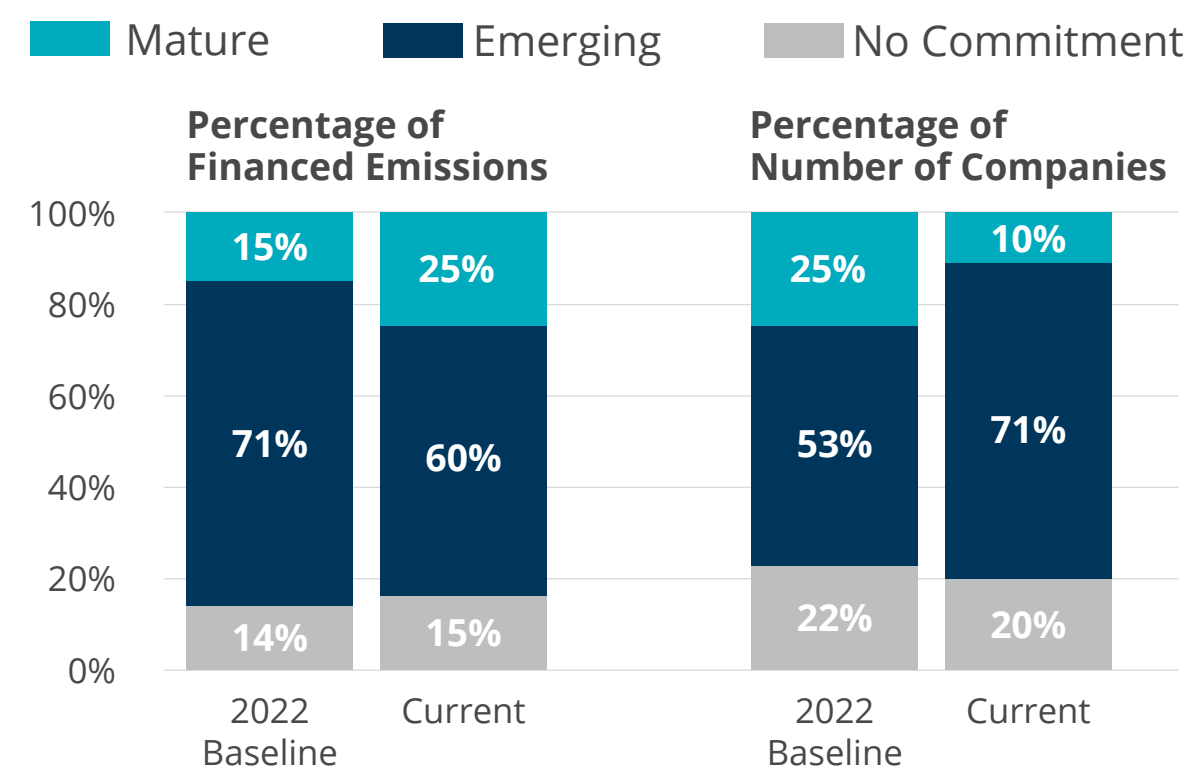
- Portfolio companies with a mature net-zero commitment or otherwise engaged by BCI
- Relative impact of climate scenarios on total expected returns
- Total portfolio carbon footprint measured in tonnes of carbon dioxide equivalent per million dollars invested
- Weighted average carbon intensity (WACI) for public equities
- Capital invested in climate-related opportunities
- BCI’s operational carbon footprint
- Sustainable bond participation and tracking with an expectation of \$5 billion initial participation by 2025

## CARBON-INTENSIVE INVESTMENTS WITH NET-ZERO ALIGNED COMMITMENTS

In 2022, we made a commitment to ensure at least 80 per cent of our 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.

We use an internal methodology that leverages several datasets and benchmarking tools to derive our maturity assessments, including Climate Action 100+, Climate Engagement Canada, the Science-Based Target Initiative and the Transition Pathways Initiative. Fluctuations in the year-over-year composition and number of carbon-intensive companies and increased maturity requirements explain the decrease in the percentage of investments with mature commitments. More information on our commitment definitions can be found in our [Climate Action Plan](#).

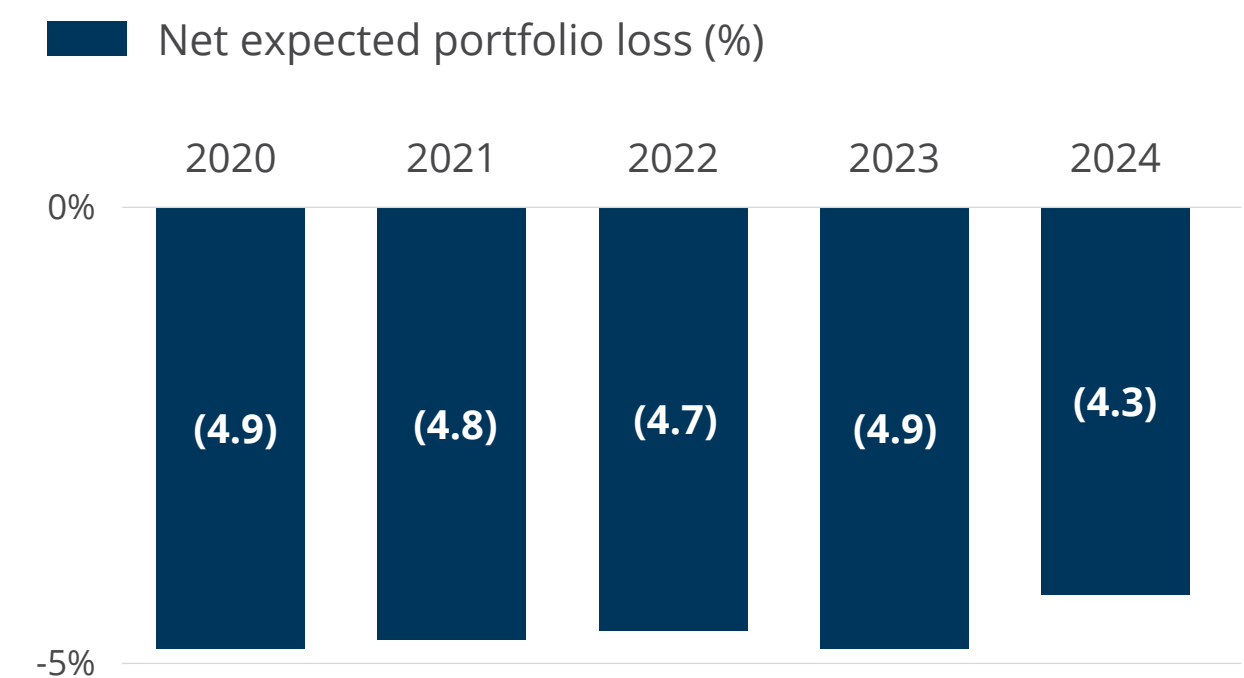
## CARBON-INTENSIVE INVESTMENTS WITH NET-ZERO-ALIGNED COMMITMENTS<sup>2</sup> (%)



## RELATIVE IMPACT OF CLIMATE SCENARIOS ON TOTAL EXPECTED RETURNS

BCI uses climate change scenario stress testing to inform asset allocation decisions, asset class strategies and company analysis. This year, BCI updated our scenarios based on the new 2024 NGFS Phase V climate scenarios and we continued to calculate portfolio results using BCI’s internal Risk & Opportunity Framework. When applied to historic portfolios, the impacts from Phase V are more negative than previously published results, in part due to revised estimates of physical climate risks from the NGFS, which are a result of the lack of progress being made to drastically decrease global emissions. Under a 2°C climate scenario, BCI’s climate risk declined over the past year, due to market movements and a shift in allocation toward fixed income and private market assets, which tend to have lower climate risk.

## HISTORICAL TOTAL PORTFOLIO CLIMATE CHANGE RISK LEVEL (LONG TERM 2°C SCENARIO)<sup>3</sup>





## CLIMATE-RELATED OPPORTUNITY EXPOSURE

BCI calculates our climate-related opportunity exposure of the portfolio using the SDI AOP<sup>1</sup>, green building classifications, Green Bond Taxonomy, and investments in climate-themed opportunities. Details can be found in our Climate Action Plan.

Using this methodology, our climate opportunity exposure was approximately \$12.1 billion at December 31, 2024, compared to \$10.7 billion at March 31, 2023. The results are calculated using the calendar year end for this reporting period to align with the change of dates used to calculate the portfolio carbon footprint explained on the next page. The climate-related opportunity exposure increased primarily due to real estate assets improving their environmental performance and the addition of new green properties.

## ENGAGEMENT ACTIVITY TARGETS AND METRICS

BCI uses the following targets relating to our engagement activities.

Within our public markets department, BCI is committed to increasing the following KPIs for the Canadian, U.S., and global markets:

- **CDP-related KPIs:**

- Percentage of respondents that have adopted an internal price on carbon
- Percentage of respondents that received the highest CDP score placing them on the A-list
- Percentage of respondents with any type of climate target

- **Target adoption across Climate Action 100+ companies:**

- Percentage of companies with net-zero target
- Percentage of companies with a net-zero target covering Scope 3 emissions<sup>2</sup>
- Percentage of companies with a long-term climate target
- Percentage of companies with a medium-term climate target
- Percentage of companies with a short-term climate target

- **Tracking adoption of net-zero and science-based targets across select indexes and high emitters in BCI’s portfolio:**

- Percentage of index or portfolio emissions linked to net-zero targets for Scope 1 and Scope 2 emissions<sup>2</sup>
- Percentage of index or portfolio emissions linked to science-based targets
- Number and percentage of companies with net-zero targets
- Number and percentage of companies with science-based targets



# BCI's Portfolio Carbon Footprint

## PORTFOLIO CARBON FOOTPRINT RESULTS

In previous reports, we measured our portfolio carbon footprint using a fiscal year end. For this reporting period, we are conducting the measurement using a calendar year end. Therefore, the portfolio carbon footprint will be measured as at December 31 as opposed to the fiscal year end to provide alignment between the operating periods used to report the majority of emissions and financial data that we rely on to assess the carbon intensity of the portfolio.<sup>1</sup>

BCI's portfolio carbon footprint decreased by 56 per cent compared to fiscal 2020. The decrease is mainly due to emissions reductions at several of the highest-emitting companies in the portfolio and the continued implementation of BCI's Climate Action Plan. With the continued value creation across the portfolio and BCI's engagement, this provides a good indication that our Climate Action Plan is being executed and leading to a reduction in the portfolio exposure to higher-emitting investments.

BCI'S PORTFOLIO CARBON FOOTPRINT<sup>2</sup> (tonnes of CO<sub>2</sub>e/\$million)



## Asset Class Results

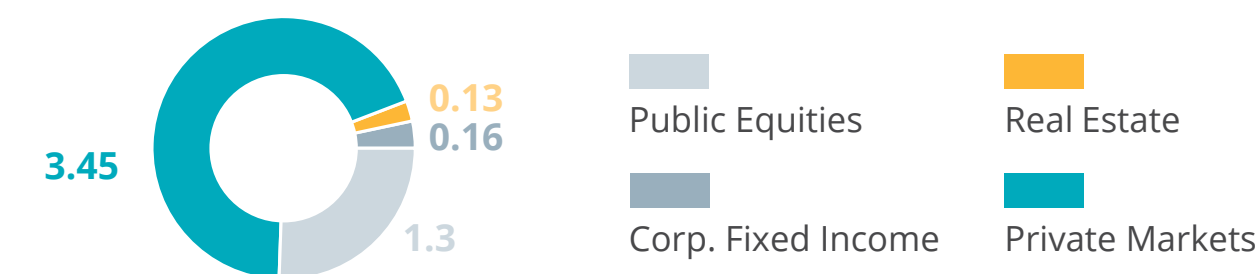
Asset-class specific results indicate a continued trend of decreasing overall emission intensity across the portfolio. Where feasible, a portfolio carbon footprint is calculated for the relevant financial benchmark to compare the intensity of BCI asset class results.

ASSET CLASS BREAKDOWN (tonnes of CO<sub>2</sub>e/\$million) Dec 31, 2024

Asset Class	CY2024
<b>Public Markets</b>	<b>32*</b>
Public Equities	35
<i>Public Equities Benchmark</i>	43
Corporate Fixed Income	20
<i>Corporate Fixed Income Benchmark</i>	47
<b>Real Estate</b>	<b>9</b>
<b>Private Markets</b>	<b>52</b>
<b>BCI Total Portfolio</b>	<b>40</b>

## Absolute Financed Emissions

BCI'S FINANCED EMISSIONS<sup>3,4</sup> (million tonnes of CO<sub>2</sub>e)



## BCI'S INVESTMENT-RELATED PORTFOLIO CARBON FOOTPRINT

BCI's portfolio carbon footprint is calculated based on our internally developed methodology that follows industry best practices for a multi-asset class fund, and is informed by the [Partnership for Carbon Accounting Financials \(PCAF\)](#) standard, an industry-led partnership that provides detailed methodological guidance to measure and disclose GHG emissions for the financial industry. At the aggregate total portfolio level, we are reporting the intensity of the portfolio carbon footprint and the total financed emissions across all asset classes using an enterprise value approach to allow the inclusion of equity and corporate debt investments. The carbon footprint of the sovereign debt portfolio is reported separately and uses a methodology that aims to measure the amount of carbon emissions financed by BCI based on the owned share of that country's debt.

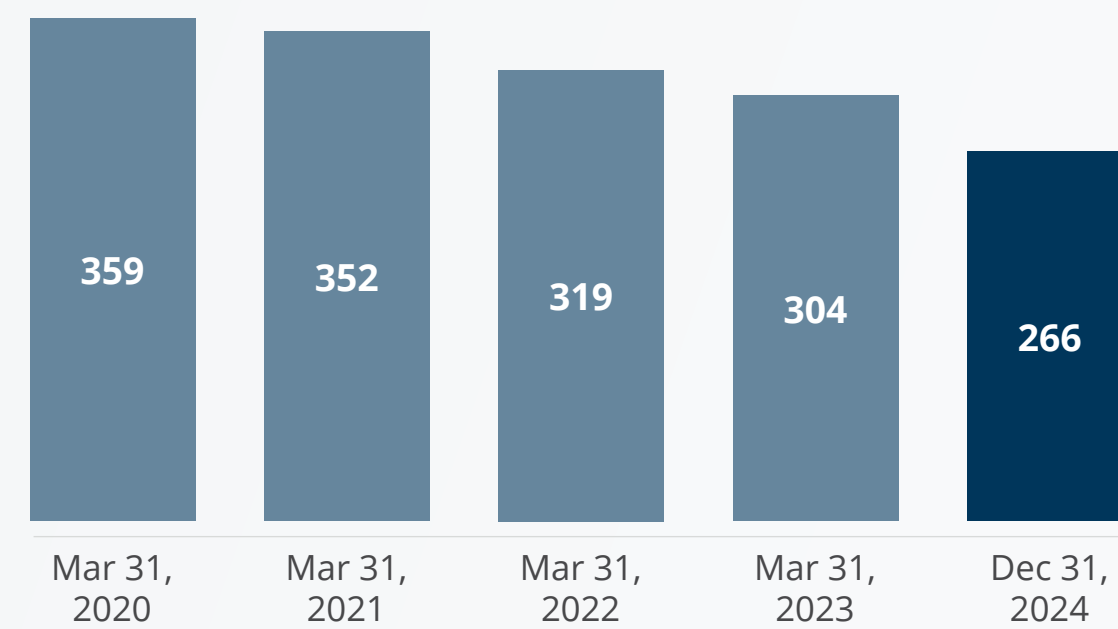
With the continued evolution of global sustainability reporting standards such as the ISSB, it is anticipated that the methods for measuring emissions, along with the improvement of the underlying data, methodologies, and controls, will become more uniform over time. Carbon emissions data is inherently imprecise given the nature and methods used to collect and calculate such data. The reliance on third-party and company supplied data by investors in order to conduct a carbon footprint measurement across a multi-asset class portfolio limits the precision of the results. As methodologies and data quality continue to improve over time and become more standardized, BCI plans to evolve our approach in line with the industry.



### SOVEREIGN BONDS

BCI's financed emissions from government bond investments are calculated using a methodology informed by the PCAF Sovereign approach and with data sourced from Trucost. The methodology uses an approach to attribute emissions for sovereign debt allowing for a link to the real economy impact. Methodologies for sovereign bond carbon footprint measurement continue to evolve across the industry with a wide variety of approaches currently in use.

**SOVEREIGN BOND CARBON FOOTPRINT**  
(tonnes of CO<sub>2</sub>e/\$million)



### DATA QUALITY SCORE

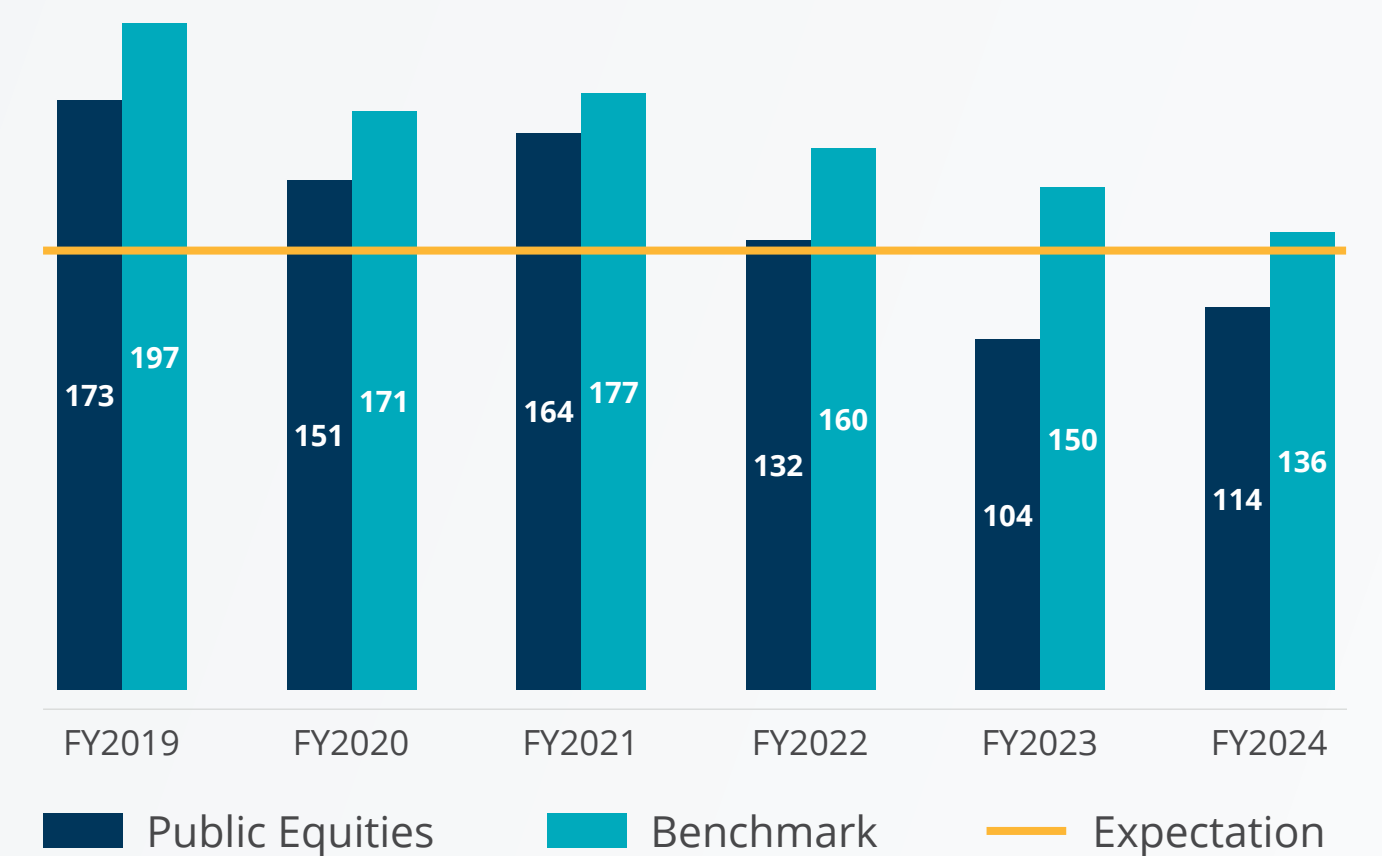
As we seek continuous improvement over the calculations, BCI has taken additional steps to source carbon data directly from portfolio companies, which provides a more accurate overall portfolio carbon footprint measurement. To understand the data improvements over time, BCI is calculating a data quality score that is informed by PCAF, which measures the quality of the data used. This score is measured on a scale of one to five with one representing the highest quality data possible. This year, our overall total portfolio weighted average data quality score is 2.8.

Score	Description
1	Verified emissions (emissions reported by portfolio company and verified by a third party)
2	Unverified emissions data reported by portfolio company or consumption based estimation <sup>1</sup>
3	Production-based estimation
4	Company specific financial metrics are available Emissions estimated based on an industry emission intensity proxy adjusted using company specific financial metrics <sup>2</sup>
5	Company specific financial metrics are not available Emissions estimated based on an industry emission intensity proxy <sup>3</sup>

### MET OUR EXPECTATION ON PUBLIC EQUITIES PORTFOLIO CARBON EXPOSURE: WACI

In 2020, BCI began disclosing the carbon exposure of the Public Equities program using the TCFD-recommended WACI metric (expressed in tonnes of CO<sub>2</sub>e per \$million in revenue). In 2025, we exceeded the original expectation for reducing the WACI of the Public Equities portfolio and realized a 34 per cent reduction relative to the 2019 baseline. The execution of our Climate Action Plan and the continued integration of ESG into the active management of the Public Equities portfolio has contributed to consistently achieving a lower WACI compared to the comparable benchmark. Having exceeded the expectation to reduce this revenue-based intensity measurement, BCI will continue to implement our total portfolio climate strategy and work to progress actions that lead to continued decarbonization in the real economy.

**ASSET CLASS BREAKDOWN<sup>4,5</sup>** (tonnes of CO<sub>2</sub>e/\$million) Mar 31, 2024





### PORTFOLIO CARBON FOOTPRINT METHODOLOGY

BCI’s internally developed methodology to calculate and report portfolio carbon footprint-related metrics.

BCI measures and reports our operational emissions as well as our investment-related portfolio carbon footprint separately each year. BCI applies the operational control approach to our organizational boundary and, therefore, emissions associated with our portfolio of investments represent Scope 3 Category 15 as defined by the GHG Protocol. BCI’s carbon footprint methodology continues to evolve as new standards and guidance are reviewed and used to inform our carbon footprint calculation and reporting each year where possible.

BCI uses a PCAF-informed internally developed enterprise value approach, which attributes our share of an asset’s emissions based on BCI’s proportionate share of the asset’s enterprise value – accounting for both debt and equity share in an asset. Scope 1 and 2<sup>1</sup> emissions are included for each asset. At this time, the Scope 3 emissions of investee companies are excluded from our methodology due to data quality, comparability, coverage, and standards in place in the market.

Where company-level emissions data is not available, BCI calculates GICS sub-industry emission intensities using data from S&P Trucost and applies this as a proxy to estimate the GHG emissions of an investee company. The sub-industry intensity is applied to a company based on a hierarchy of company-specific financial information<sup>2</sup> based on data availability.

### Scope

In-scope investments include the asset types for which BCI has developed a methodology that allows for the estimation of financed emissions informed by available standards and industry practices. Out-of-scope investments include investment strategies with data limitations and asset types with insufficient methodology guidance or standards. The scope of the calculation is reviewed annually to determine if it is possible to cover additional investments.

### Coverage

Coverage is calculated by taking the Market Value<sup>3</sup> of covered investments held by BCI for which GHG emissions are available or can be estimated, divided by the Market Value of all investments that are in-scope for BCI’s carbon footprint methodology. The percentage of BCI’s investments covered by a reported carbon footprint metric is 90 per cent for calendar 2024.

### ASSET CLASSES AND INSTRUMENT TYPES INCLUDED IN THE CARBON FOOTPRINT-RELATED METRICS

Asset Class	In-scope Investments	Out-of-scope Investments	
<b>Corporate Fixed Income</b>	<ul style="list-style-type: none"> <li>• Corporate Bonds</li> <li>• Private Placements</li> </ul>	<ul style="list-style-type: none"> <li>• Money Market</li> <li>• Derivatives</li> <li>• Alternative Products</li> </ul>	<ul style="list-style-type: none"> <li>• Private Debt</li> <li>• Cross Holdings</li> </ul>
<b>Public Equities</b>	<ul style="list-style-type: none"> <li>• Common Stock</li> <li>• Preferred Stock</li> <li>• Private Placements</li> </ul>	<ul style="list-style-type: none"> <li>• Global Partnership Funds (GPF)</li> <li>• Derivatives</li> <li>• Exchange Traded Funds</li> </ul>	<ul style="list-style-type: none"> <li>• Alternative Products</li> <li>• Cash and Cash Equivalents</li> <li>• Cross Holdings</li> </ul>
<b>Private Markets</b>	<ul style="list-style-type: none"> <li>• Principal Investments</li> <li>• Fund Investments</li> <li>• Common Stocks</li> </ul>	<ul style="list-style-type: none"> <li>• Derivatives</li> </ul>	
<b>Real Estate</b>	<ul style="list-style-type: none"> <li>• Domestic Real Estate Equity</li> </ul>	<ul style="list-style-type: none"> <li>• International Real Estate Equity</li> <li>• Real Estate Debt</li> </ul>	
<b>Sovereign Bonds<sup>4</sup></b>	<ul style="list-style-type: none"> <li>• Sovereign Debt</li> <li>• Supranational Debt</li> </ul>	<ul style="list-style-type: none"> <li>• Provincial Bonds</li> <li>• Municipal Bonds</li> <li>• Leveraged Bond Fund</li> </ul>	



## ASSET CLASS METHODOLOGIES

### Public Markets

The public markets financed emissions are calculated by taking the sum of BCI-owned equity and debt in each issuer divided by the enterprise value including cash of that issuer and multiplying the ratio by the Scope 1 and 2 CO<sub>2</sub>e<sup>1</sup> emissions for each issuer.

$$\text{Financed emissions (tonnes Co}_2\text{e)} = \sum \frac{\text{BCI Equity + Debt in Issuer}}{\text{Issuer Enterprise Value Including Cash (EVIC)}} \times \text{Issuer Scope 1 and 2 emissions}$$

BCI used data provided by Trucost for issuer Scope 1 and 2 emissions and EVIC. Trucost is a division of S&P Global, which provides climate data, analytics, and advisory services to financial market participants. Trucost applies the following approach for estimating emissions:

1. Company-reported emissions
2. Estimate based on company-specific factors
3. Proprietary sector-based model

Trucost also estimates additional greenhouse gas emissions where not all gases required by the GHG Protocol are disclosed by a company but are deemed relevant (e.g., where CO<sub>2</sub> is the only gas disclosed by the company). Any public equity or credit investment not covered by the Trucost database are estimated by proxy using the BCI's sub-industry estimation approach described above.

For our government bond holdings, the PCAF Sovereign methodology informed the approach and carbon data from Trucost is used to calculate the carbon footprint intensity of these holdings and reported separately from the rest of the portfolio.

### Private Markets

$$\text{Financed emissions (tonnes CO}_2\text{e)} = \sum \frac{\text{BCI Equity + Debt in Issuer}}{\text{Issuer Enterprise Value}^2} \times \text{Issuer Scope 1 and 2 emissions}$$

BCI works with directly held private investments and our general partners to obtain emissions data for this asset class, and together, we are working to increase the quality and coverage of carbon data in private markets. As a result, for 2024, the coverage of financed emissions for BCI's private market portfolios increased. We are members of the ESG Data Convergence Initiative (EDCI) which aims to improve the overall transparency and availability of ESG data in private markets. When carbon footprint data is not available, we use GICS sub-industry emission intensities. Enterprise Value is sourced from financial statements and supported by internal or external valuations.

While guidance for calculating the financed emissions of private market funds is currently absent, BCI's internal methodology has been developed to include these investments in-scope. The approach for private market funds follows our approach using GICS sub-industry emission intensities to estimate the financed emissions of the underlying investments in line with directly held assets when we do not have access to ESG data.

### Real Estate

QuadReal manages the real estate investment portfolio for BCI and conducts a property-level carbon footprint for the domestic portfolio. In 2024, BCI updated the financed emissions methodology for the real estate portfolio, which is now calculated based on BCI's internally developed 'whole-building approach' which apportions the entire building-level emissions based on BCI's ownership percentage of individual properties. Estimates are used to fill in building-level emissions data gaps.

$$\text{Financed emissions (tonnes CO}_2\text{e)} = \sum \frac{\text{BCI's ownership per building}}{\text{Whole Building Scope 1 and 2 emissions}}$$

### Total Portfolio Carbon Footprint

The total portfolio carbon footprint intensity is calculated by taking the sum of financed emissions across public equity, corporate fixed income, private markets and real estate and dividing by the Market Value of covered<sup>3</sup> investments:

$$\text{BCI Carbon Footprint (tonnes Co}_2\text{e per \$M Invested)} = \frac{\sum \text{Financed Emissions}}{\text{Market Value of covered investments}}$$

BCI recognizes the limitations and uncertainties that are inherent in estimation methodologies in use today. This includes the impact of unrelated market conditions such as market valuations and revenue impacts, the influence of exchange rates, incomplete reporting from issuers and fund managers, the frequency at which emissions data is updated, and BCI's point-in-time approach, which may not accurately reflect our portfolio exposure over the course of the year.



# BCI's Operational GHG Emissions

BCI calculates our operational emissions using standard corporate carbon accounting practices informed by GHG Protocol. Data is collected across all our offices, and Scope 3 emissions include business travel-related emissions and emissions from waste and recycling at our offices. Over the past year, BCI reduced its operational emissions, primarily due to a decrease in emissions from corporate travel. As our global presence continues to expand, we remain committed to reducing our environmental impact. To demonstrate this commitment, we will offset our emissions through the procurement of carbon offsets.

## BCI OPERATIONAL GHG EMISSIONS BY SCOPE<sup>1</sup> as at December 31 (tCO<sub>2</sub>e)

	2022	2023	2024
<b>Scope 1: Direct emissions (building heating - natural gas)</b>	51	49	42
<b>Scope 2: Indirect emissions (building electricity consumption)</b>	26	65	62
<b>Scope 3<sup>2</sup>: Indirect emissions (business, travel, recycling, waste)</b>	3,088	3,810	3,477
<b>Total emissions generated</b>	3,165	3,924	3,581
<b>Total offsets purchased</b>	<b>3,165</b>	<b>3,924</b>	<b>3,581</b>



# Independent Practitioner’s Limited Assurance Report



**To the Board of Directors of British Columbia Investment Management Corporation (the “Entity”).**

We have undertaken a limited assurance engagement on the following performance metric of the Entity, included in the accompanying 2024-2025 Corporate Annual Report (the “Report”), for the year ended December 31, 2024.

## SUBJECT MATTER INFORMATION AND APPLICABLE CRITERIA

The scope of our limited assurance engagement, as agreed with management, comprises the following performance metric (the “subject matter information”) and criteria:

<b>Subject matter information</b>	2024 Public Markets aggregate portfolio carbon footprint, comprising <ul style="list-style-type: none"> <li>• Public Equities</li> <li>• Corporate Fixed Income</li> </ul>
<b>Units</b>	32 tonnes CO <sub>2</sub> e/\$ million
<b>Criteria</b>	Internally developed criteria, informed by the World Business Council for Sustainable Development Greenhouse Gas (“GHG”) Protocol (the “GHG Protocol”) and the Global GHG Accounting and Reporting Standard for the Financial Industry issued by the Partnership for Carbon Accounting Financials (“PCAF”).

The subject matter information can be found on [page 74](#) of the Report denoted by the symbol \*.

Other than as described in the preceding paragraph, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

There are no mandatory requirements for the preparation or presentation of the subject matter information. As such, the Entity has applied its own internally developed criteria, which is informed by the GHG Protocol and PCAF. The criteria are further described on [pages 76-77](#) of the Report (the “applicable criteria”).

## MANAGEMENT’S RESPONSIBILITY

Management is responsible for the preparation and presentation of the subject matter information in accordance with the applicable criteria.

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error. This responsibility includes determining the Entity’s objectives in respect of sustainability performance and reporting, identifying stakeholders and material issues, and selecting or developing appropriate criteria.

## OUR RESPONSIBILITY

Our responsibility is to express a limited assurance conclusion on the subject matter information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (“CSAE”) 3000, Attestation Engagements Other than Audits or Reviews of Historical Financial Information and CSAE 3410, Assurance Engagements on Greenhouse Gas Statements. These standards require that we plan and perform our engagement to obtain limited assurance about whether the subject matter information is free from material misstatement.

A limited assurance engagement involves assessing the suitability of the criteria used by the Entity in preparing the subject matter information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.



We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we:

- Evaluated the suitability of the Entity’s use of the criteria, as the basis for preparing the subject matter information in the circumstances;
- Through inquiries, obtained an understanding of the Entity’s control environment, processes and systems relevant to the preparation of the subject matter information, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Inspected a limited number of items to trace to supporting records, as appropriate;
- Reperformed the calculations of the subject matter information; and,
- Considered the presentation and disclosure of the subject matter information.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have complied with the independence and other ethical requirements of relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### SIGNIFICANT INHERENT LIMITATIONS

Historical non-financial information, such as that contained in the Report, is subject to more inherent limitations than historical financial information, given the qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time. It is important to read the Entity’s reporting methodology disclosed on [pages 76-77](#) of the Report.

### CONCLUSION

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the Entity’s subject matter information for the year ended December 31, 2024, is not prepared, in all material respects, in accordance with the applicable criteria.

Our conclusion on the subject matter information does not extend to any other information, reports or documents that accompany, are presented with, or contain the subject matter information and our assurance report.

### RESTRICTION ON USE

Our report is intended solely for use by British Columbia Investment Management Corporation for the purpose(s) set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by British Columbia Investment Management Corporation in the 2024-2025 Corporate Annual Report, KPMG LLP does not assume or accept any responsibility or liability to any third party in connection with the disclosure of our report.

Chartered Professional Accountants  
Vancouver, Canada | June 20, 2025



# Appendices





# Appendix 1: Pooled Fund Benchmarks

Unless otherwise indicated, all benchmarks are total return, unhedged, and as of March 31, 2025.

For detailed information on our benchmarks, view our Pooled Fund Performance report at [BCI.ca/pooled-funds](https://www.bci.ca/pooled-funds).

Pooled Fund	Benchmark
<b>Short Term Funds</b>	
Canadian Money Market Fund (ST1)	Canadian Overnight Repo Rate Average (CORRA)
Canadian Money Market Fund (ST2)	FTSE Canada 91 Day T-Bill Index
U.S. Dollar Money Market Fund (ST3)	Secured Overnight Financing Rate (SOFR)
U.S. Dollar Money Market Fund (ST4)	ICE BofA U.S. 3-Month Treasury Bill Index
<b>Bond Funds</b>	
Short Term Bond Fund	FTSE Canada Short Term Government Bond Index
Government Bond Fund	FTSE Canada All Government Bond Index
Corporate Bond Fund	Custom Benchmark <sup>1</sup>
Principal Credit Fund	Morningstar LSTA U.S. Leveraged Loan 100 Index <sup>2</sup>
The Funding Program	Custom Benchmark <sup>3</sup>
<b>Equity Funds — Canadian</b>	
Indexed Canadian Equity Fund	S&P/TSX Composite Index
Active Canadian Equity Fund	S&P/TSX Capped Composite Index
Active Canadian Small Cap Equity Fund	S&P/TSX Small Cap Index



# Appendix 1: Pooled Fund Benchmarks

Pooled Fund	Benchmark
<b>Equity Funds — Global</b>	
Indexed EAFE Equity Fund	MSCI EAFE Index
Indexed Global Equity Fund	MSCI World ex-Canada Index
Global Quantitative ESG Equity Fund	MSCI World ex-Canada Index
Global Partnership Fund	MSCI World ex-Canada Index
Global Quantitative Active Equity Fund	MSCI World ex-Canada Index
Active Global Equity Fund	MSCI World ex-Canada Index
Thematic Public Equity Fund	MSCI World ex-Canada Index
Active U.S. Small Cap Equity Fund	Russell 2000 Index
<b>Equity Funds — Emerging Markets</b>	
Indexed Emerging Markets Equity Fund	MSCI Emerging Markets Index
Active Emerging Markets Equity Fund	MSCI Emerging Markets Index
<b>Private Markets Funds<sup>1</sup></b>	
Private Equity Funds	Custom Benchmark <sup>2</sup>
Infrastructure & Renewable Resources Program	Cost of Capital
BCI QuadReal Real Estate Equity Program	Cost of Capital
BCI QuadReal Real Estate Debt Program	Custom Benchmark <sup>3</sup>



# Appendix 2: CSSB Standards Alignment

BCI advocates for reliable, comparable ESG reporting and supported the development of the Canadian Sustainability Disclosure Standards: CSDS 1 *General Requirements for Disclosure of Sustainability-related Financial Information* and CSDS 2 *Climate-related Disclosures*.

Our own corporate reporting has been informed by these standards and we will continue to evolve our practices towards full alignment.

The following index identifies our disclosures related to the material topics defined by the Sustainability Accounting Standards Board (SASB) Standards for Asset Management & Custody Activities. A separate index detailing our alignment to the SASB Standards metrics is included on [pages 86 to 87](#). The CSSB Standards can be found at this [website](#).

Material Topic	Climate Change (Incl. Financed Emissions)	Employee Diversity & Inclusion	Incorporation of ESG Factors in Investment Management	Business Ethics
<b>CSDS 1 &amp; CSDS 2 Frameworks</b>				
<b>Governance</b>	<a href="#">ESG Governance Policy</a> <a href="#">Annual Climate-related Disclosures p. 67</a> <a href="#">Corporate Annual Report pp. 7, 37</a>	<a href="#">EDI Guiding Principles</a> <a href="#">Accessibility Statement</a> <a href="#">EDI Council</a>	<a href="#">ESG Governance Policy</a> <a href="#">ESG Strategy</a> <a href="#">BCI.ca/ESG</a>	<a href="#">Code of Ethics and Professional Conduct</a> <a href="#">Public Interest Disclosure Act</a> <a href="#">Forced and Child Labour Risk Assessment Report</a>
<b>Strategy</b>	<a href="#">Annual Climate-related Disclosures pp. 68, 69</a> <a href="#">Climate Action Plan</a> <a href="#">ESG Strategy</a> <a href="#">Stewardship Report pp 4, 6</a> <a href="#">BCI.ca/ESG</a>	<a href="#">EDI Strategy</a> <a href="#">Accessibility Plan</a> <a href="#">Corporate Annual Report p. 52</a>	<a href="#">ESG Strategy</a> <a href="#">Proxy Voting Guidelines</a> <a href="#">Risk Management</a> <a href="#">ESG Risk and Opportunity Framework</a> <a href="#">Corporate Annual Report pp. 28, 30, 32, 38</a> <a href="#">Forced and Child Labour Risk Assessment Report</a>	<a href="#">Code of Ethics and Professional Conduct</a> <a href="#">Public Interest Disclosure Act</a> <a href="#">Forced and Child Labour Risk Assessment Report</a>



# Appendix 2: CSSB Standards Alignment

Material Topic CSDS 1 & CSDS 2	Climate Change (Incl. Financed Emissions)	Employee Diversity & Inclusion	Incorporation of ESG Factors in Investment Management	Business Ethics
<b>Risk Management</b>	<a href="#">Climate Action Plan</a> <a href="#">ESG Strategy</a> <a href="#">Annual Climate-related Disclosures pp. 70, 71</a> <a href="#">Risk Management</a> <a href="#">ESG Risk and Opportunity Framework</a>	<a href="#">Corporate Annual Report p. 52</a>	<a href="#">Risk Management</a> <a href="#">ESG Risk and Opportunity Framework</a> <a href="#">ESG Strategy</a> <a href="#">Corporate Annual Report pp. 38, 44</a>	<a href="#">Code of Ethics and Professional Conduct</a> <a href="#">Public Interest Disclosure Act</a> <a href="#">Forced and Child Labour Risk Assessment Report</a>
<b>Metrics &amp; Targets</b>	<a href="#">Annual Climate-related Disclosures pp. 72 to 75</a> <a href="#">Climate Action Plan</a> <a href="#">Corporate Annual Report pp. 39, 40</a> <a href="#">Stewardship Report pp. 10, 11, 12</a>	<a href="#">Corporate Annual Report pp. 52, 55</a>	<a href="#">Corporate Annual Report p. 39</a>	



# Appendix 3: SASB Standards Index

The SASB Standards are used to identify sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects, and provide a set of relevant disclosure metrics.

BCI uses the industry-specific standards for Asset Management & Custody Activities to inform our alignment to the CSDS.

The following index identifies our disclosure of the SASB Standards industry-specific metrics.

The SASB Standards can be found on this [website](#).

Topic	Metric	Disclosures
<b>Transparent Information &amp; Fair Advice for Customers</b>	1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Not applicable
	Description of approach to informing customers about products and services	
<b>Employee Diversity &amp; Inclusion</b>	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees	<a href="#">Corporate Annual Report pp. 52, 55</a>
<b>Incorporation of ESG Factors in Investment Management &amp; Advisory</b>	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing and (3) screening	<a href="#">ESG Governance Policy Corporate Annual Report p. 38</a>
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	<a href="#">ESG Strategy Climate Action Plan Corporate Annual Report p. 38, 44 Stewardship Report pp. 4, 6</a>
	Description of proxy voting and investee engagement policies and procedures	<a href="#">ESG Strategy Proxy Voting Guidelines Climate Action Plan Annual Climate-related Disclosures p. 70 Corporate Annual Report p. 39 Stewardship Report pp. 8, 9, 10</a>



# Appendix 3: SASB Standards Index

Topic	Metric	Disclosures
<b>Financed Emissions</b>	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	<a href="#">Annual Climate-related Disclosures pp. 74 to 77</a>
	Total amount of assets under management (AUM) included in the financed emissions disclosure	
	Percentage of total assets under management (AUM) included in the financed emissions calculation	
	Description of the methodology used to calculate financed emissions	
<b>Business Ethics</b>	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Not applicable
	Description of whistleblower policies and procedures	<a href="#">BCI.ca/governance</a>
<b>Activity Metrics</b>	Total assets under management (AUM)	<a href="#">Corporate Annual Report p. 6</a>
	Total assets under custody and supervision	Not applicable



# Appendix 4: Methodologies

- 1) Figures presented for assets under management, as well as percentage of portfolio assets, holdings, and global distribution, may not precisely add up due to rounding.
- 2) Real estate equity and real estate debt are managed by QuadReal Property Group (QuadReal), a wholly-owned company of BCI.
- 3) The Funding Program includes clients' investment liabilities achieved through government bond repurchase agreements and unsecured bond issuance.
- 4) Gross assets under management include all investment assets, before deducting Real Estate Debt and Equity recourse debt directly issued by QuadReal Property Group, BCI and QuadReal Property Group Real Estate Debt and Equity uncollateralized derivative liabilities, and BCI's Funding Program liabilities.
- 5) Net assets under management include all investment assets, after deducting Real Estate Debt and Equity recourse debt directly issued by QuadReal Property Group, BCI and QuadReal Property Group Real Estate Debt and Equity uncollateralized derivative liabilities, and BCI's Funding Program liabilities.
- 6) Unless otherwise stated, the performance and value-add detailed in this report are for the Combined Pension Plan Clients which reflect 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. Performance includes the impact of client currency hedging policies, where set.
- 7) Except as otherwise indicated, returns are time-weighted rates of return (TWRR) as at March 31, 2025. All returns are net of all costs and fees. Investments are reported by program within the asset classes as set out in the clients' Statement of Investment Policies & Procedures (SIPP). Benchmarks represent a weighted combination of multiple indices as specified in the clients' SIPP. The indices may vary over time.
- 8) An internal rate of return (IRR) 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, 2024. Benchmarks are presented on a TWRR basis.
- 9) On April 1, 2019, the domestic and global real estate programs were consolidated into the real estate equity program. Historical returns for the domestic and global real estate program can be found in historical corporate annual reports.
- 10) Value-add is the additional return in dollars BCI generated for clients in excess of client benchmarks through active investments and excluding the impact of centralized currency management program, after all costs and fees.
- 11) Geographic exposure is generally determined based on the country of incorporation of the issuing entity. Where investments are made via derivative instruments, the geographic exposure is determined based on the domicile of the underlying reference entity.
- 12) The Magnificent Seven consists of U.S. technology stocks: Alphabet (GOOGL), Amazon.com (AMZN), Apple (AAPL), Meta Platforms (META), Microsoft (MSFT), Nvidia (NVDA), and Tesla (TSLA).
- 13) Client distributions, in terms of gross cash flows, are determined by the sum of the amount in Canadian dollars and the Canadian dollars equivalent of U.S. dollars outflows, utilizing the foreign exchange rate as of March 31, 2025.
- 14) EDI Gender and Race & Ethnicity categories comprise:
  - a. Executive — Chief Executive Officer, Chief Operation Officer, Executive Vice Presidents and Senior Vice Presidents
  - b. Non-Executive Management — Senior Managing Directors, Vice Presidents, Directors, Managing Directors, Senior Managers, and Managers
  - c. Professional — Principle, Senior Advisors, Senior Associates, Engineers, Analysts, and Associates
  - d. Support — Senior Administrators, Senior Technicians, Assistants, Administrators, Technicians, Coordinators



# Appendix 5: Endnotes

## Page 5 – Clients First – Yesterday, Today and Tomorrow

<sup>1</sup> These figures come from a 2024 Canadian Centre for Economic Analysis study and show the economic activity supported by BCI’s payments, its clients, operations, and investments during its fiscal year ending March 31, 2024. The study focused on BCI’s economic contributions and does not compare different retirement or insurance plan options.

## Page 6 - BCI’s Total Assets Under Management (AUM) Table

- <sup>1</sup> Other strategies include cash and centralized currency management program.
- <sup>2</sup> Other Leverage consists of (1) Real Estate Debt and Equity recourse debt directly issued by QuadReal Property Group and (2) BCI and QuadReal Property Group Real Estate Debt and Equity uncollateralized derivative liabilities.

## Page 7 - Local Purpose, Global Approach

- <sup>1</sup> These figures come from a 2024 Canadian Centre for Economic Analysis study and show the economic activity supported by BCI’s payments, its clients, operations, and investments during its fiscal year ending March 31, 2024. The study focused on BCI’s economic contributions and does not compare different retirement or insurance plan options.
- <sup>2</sup> India is classified as an emerging market economy under the geographic aggregations found in this report.

## Page 17 - BCI’s Total Assets Under Management (AUM) Table

- <sup>1</sup> Other strategies include cash and centralized currency management program.
- <sup>2</sup> Other Leverage consists of (1) Real Estate Debt and Equity recourse debt directly issued by QuadReal Property Group and (2) BCI and QuadReal Property Group Real Estate Debt and Equity uncollateralized derivative liabilities.

## Page 20 & 21 - Analysis of the Combined Pension Plan Returns

<sup>1</sup> An internal rate of return (IRR) 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, 2024. Benchmarks are presented on a TWRR basis.

## Page 22 - Cost Benchmarking

<sup>1</sup> Peer median: Representing eight Canadian pension peers.

## Page 24 - Fixed Income

- <sup>1</sup> The values presented above do not reflect certain pool funds held within other asset classes. As at March 31, 2025 this amounted to approximately \$1.5 billion in money market funds and \$14.7 billion in floating rate funds.
- <sup>2</sup> Other includes ETFs and mark-to-market of foreign exchange.

## Page 26 - Private Debt

<sup>1</sup> Other includes materials, energy, utilities, and real estate.

## Page 31 – Infrastructure & Renewable Resources

<sup>1</sup> Transactions were signed before BCI’s March 31 year-end but closed during the first quarter of the subsequent fiscal year.

## Page 32 - Private Equity

<sup>1</sup> Asia includes China and South Korea.

## Page 33 - Private Equity

<sup>1</sup> Transaction has been announced but not yet closed; remains subject to satisfaction of closing conditions, including regulatory approvals.

## Page 34 - Real Estate Equity

- <sup>1</sup> Residential includes condominium, multi-family rental, student housing, and seniors housing.
- <sup>2</sup> Alternatives include land, hospitality, technology, data centres, storage, health care, land lease and other.

## Page 36 - Real Estate Debt

- <sup>1</sup> Undeveloped land not entitled for intended use is classified as alternatives (e.g. farmland). Pre-development land has been classified based on the intended use.
- <sup>2</sup> Residential includes multi-family rental, student housing, and seniors housing.
- <sup>3</sup> Alternatives include land, hospitality, technology, data centres, storage, health care, land lease and other.

## Page 40 - Climate Action

<sup>1</sup> BCI has set a specific engagement goal to ensure that by 2030 at least 80 per cent of its most carbon-intensive investments, which are defined as companies that make up over 80 per cent of BCI’s carbon footprint, have set mature aligned commitments or are being engaged by BCI.

## Page 52 – Employee Experience & Inclusion

<sup>1</sup> Self-identification census data was last collected on October 31, 2024.



# Appendix 5: Endnotes

## Page 54 - Governance Framework

<sup>1</sup> In fiscal 2026, the BCI Board Code of Conduct is being replaced by the BCI Code of Ethics and Professional Conduct.

## Page 56 - Director Remuneration

- <sup>1</sup> Total direct remuneration includes remuneration paid to Sheila Taylor for fiscal 2025.
- <sup>2</sup> Adjusted annually to align with the average percentage that the British Columbia pension plan grants to retired members of the College Pension Plan, Municipal Pension Plan, Public Service Pension Plan, and Teachers' Pension Plan (our four largest pension plan clients).
- <sup>3</sup> Includes remuneration for representing BCI at other meetings.
- <sup>4</sup> 100 per cent of the BCI Board meeting fees are paid to BC Ministry of Transportation and Transit.
- <sup>5</sup> 100 per cent of the remuneration is paid to Federation of Post-Secondary Educators of BC.
- <sup>6</sup> 50 per cent of the BCI Board meeting fees are paid to BC General Employees Union.

## Page 64 - Executive Compensation

<sup>1</sup> Includes U.S. dollar compensation converted to Canadian dollars for an executive based in BCI's New York, U.S. office.

## Page 65 - Summary Compensation Table

- <sup>1</sup> The values of incentive payments are listed beside the performance year in which they were earned; actual disbursement occurs in the following fiscal year.
- <sup>2</sup> The incentive plan value reflects performance over a five and ten-year timeframe; actual disbursement occurs in the following fiscal year.
- <sup>3</sup> These values represent the contributions paid by BCI on behalf of the named individuals to the Public Service Pension Plan and the Canada Pension Plan.
- <sup>4</sup> These values include BCI-funded group health and wellness benefits and illness wage-loss provisions, parking, professional dues, relocation benefits, and contributions paid by BCI on behalf of the named individuals for legislated benefits such as Employment Insurance and Workers' Compensation. Vacation pay is calculated on incentive compensation in line with applicable employment standards.
- <sup>5</sup> Values in this table constitute the total compensation earned by or paid on behalf of the identified individuals. All values are inclusive.
- <sup>6</sup> Jim Pittman relocated to BCI's New York, U.S. office, and compensation reported from 2023-2024 onwards is in U.S. dollars.

## Page 72 - Metrics and Targets

<sup>1</sup> BCI's carbon-intensive investments are currently defined as portfolio companies that collectively account for over 75 per cent of BCI's total financed emissions based on our internal methodology informed by PCAF. This threshold has been refined from 80 per cent in previous reporting periods to focus on our largest contributing holdings, enabling targeted engagement on our highest-impact investments.

- <sup>2</sup> The number of companies considered for these metrics increased from 90 in 2022 to 164 this year. Ten per cent of the 164 highest emitters in BCI's portfolio that have set mature net-zero commitments represents 25 per cent of the financed emissions from BCI's carbon-intensive investments.
- <sup>3</sup> The results represent the measurement of the portfolio climate risk that could materialize by 2050 under a 2°C scenario relative to a 3°C scenario. The 2024 results are not directly comparable to prior years due to incorporation of new datasets from the updated phase V scenarios produced by the Network for Greening the Financial System (NGFS).

## Page 73 - Metrics and Targets

- <sup>1</sup> In July 2020, BCI partnered with APG (Netherlands), Aussie Super (Australia) and PGGM (Netherlands) to establish the SDI AOP to set a global standard for the classification of sustainable development investments that enables investors to assess companies on their contributions to the SDGs. Further information can be found at SDI-AOP.org.
- <sup>2</sup> Scope 1: All direct emissions from the activities of an organization or under their control; Scope 2: Indirect emissions from energy purchased and used by the organization; Scope 3: Indirect emissions that occur in a company's value chain.

## Page 74 - BCI's Portfolio Carbon Footprint

- <sup>1</sup> This year's adjustment from a fiscal year-end to a calendar year-end reporting period means that in this report, we are reporting values as of December 31, 2024. Last year, values were reported as of March 31, 2023. Therefore, there is a 21-month gap between the FY2023 values and the CY2024 values. FY and CY are used to represent March 31 and December 31 values, respectively.
- <sup>2</sup> BCI's Portfolio Carbon Footprint follows BCI internally developed carbon footprint methodology. Please see the methodology disclosure on [page 77](#). Denominated in Canadian dollars.



# Appendix 5: Endnotes

- <sup>3</sup> BCI Financed Emissions follows BCI internally developed carbon footprint methodology. Please see the methodology disclosure on each asset class for details.
- <sup>4</sup> Values reported as at December 31, 2024.

## Page 75 - BCI's Portfolio Carbon Footprint

- <sup>1</sup> There is a range of estimation techniques used by Trucost that are classified as data quality score 2.
- <sup>2</sup> Financial metrics used in estimates include revenue and market capitalization. Industry emission proxy is calculated based on Trucost data.
- <sup>3</sup> Industry emission proxy is calculated based on Trucost data. Score 5 is assigned mainly to fund investments where company financial metrics, i.e., EV and EVIC, are unavailable.
- <sup>4</sup> Starting in fiscal 2022, results use Trucost data, while prior years used ISS outputs.
- <sup>5</sup> FY is used to represent March 31st values.

## Page 76 - Portfolio Carbon Footprint Methodology

- <sup>1</sup> Market-based emissions are used to calculate investee Scope 2 emissions wherever possible. Where market-based emissions are not available, location-based emissions are used. Avoided emissions and emission removals are not included at this time. In previous years, location-based emissions were prioritized. The impact of this methodology change is not material to the results.
- <sup>2</sup> Company-specific financial information used to estimate the GHG intensity of portfolio companies where direct data does not exist is prioritized to use revenue-based intensities first. If revenue is not available, market capitalization-based intensities may be used.
- <sup>3</sup> Market Value: Estimated fair value of BCI's portion of the investment valued in accordance with IFRS 13.
- <sup>4</sup> Although sovereign bonds are included in the fixed income asset class at BCI, they are treated separately for the purpose of portfolio carbon footprint accounting and reporting due to the unique methodology. However, the market value related to the covered sovereign bonds is included in the coverage calculation.

## Page 77 - Asset Class Methodologies

- <sup>1</sup> The most recent scope 1 and 2 emissions data available is used, however for public and private asset classes, GHG emissions data is predominately lagged by one year due to data availability considerations.
- <sup>2</sup> For private markets, enterprise value is used to calculate financed emissions, as opposed to enterprise value including cash, which is used in public markets. Enterprise value equals equity plus net debt plus non-controlling interest. Equity value is the total value of the company that is attributable to equity investors with net debt being the book value of both short-term and long-term debt deducted by cash and cash equivalents. The definition of enterprise value in the carbon footprint reporting aligns with the definition and approach used for investment fair values in financial statements.

- <sup>3</sup> Covered investments: Investments that are in-scope and where GHG emissions are calculated for the associated market value.

## Page 78 - BCI's Operational GHG Emissions

- <sup>1</sup> Emissions remaining after third party offset. Data collected and provided for our building and facilities is reported on a calendar basis, while data from corporate travel is provided on a fiscal year basis.
- <sup>2</sup> Scope 1: Excluding Scope 3, Category 15: Investments.

## Page 82 - Pooled Fund Benchmarks

- <sup>1</sup> The custom benchmark is an equal weighting of the ICE BofA U.S. Corporate Index plus the ICE BofA BB-B U.S. Cash Pay High Yield Constrained Index, hedged to the Canadian Dollar.
- <sup>2</sup> Hedged to the Canadian Dollar.
- <sup>3</sup> The Funding Program is a vehicle for passive implementation of leverage, benchmarks are established in a manner that upholds the passive mandate.

## Page 83 - Pooled Fund Benchmarks

- <sup>1</sup> Private Market Funds benchmarks are revised on an annual basis and are derived using several inputs which produce a long-term risk adjusted cost of capital. BCI's internal risk ratings are used to ensure the benchmarks are adjusted to reflect the risk taken.
- <sup>2</sup> Private Equity Funds consists of two components: Private Equity Fund investments are benchmarked to the MSCI All Country World Index (ACWI) plus a risk premium. Private equity direct/co-investments are benchmarked to their cost of capital.
- <sup>3</sup> The custom benchmark is an equal weighting of the ICE BofA 1-3Y U.S. Corporate Index plus the ICE BofA 1-3Y BB-B U.S. Cash Pay High Yield Constrained Index, hedged to the Canadian Dollar, plus a risk premium.



# 2024-2025 Corporate Financial Statements

Corporate Financial  
Statements are  
available [here](#).

### Forward-looking Statements

This report is for information only and is not investment advice or a recommendation to take any specific action. It may contain forward-looking statements about BCI's business and future performance using words like "may," "will," "expect," and "believe". These statements are based on BCI's reasonable assumptions considering experience, trends, current conditions, and expected developments. However, many factors, some of which are beyond BCI's control, may cause actual results to differ materially, including business and legal risks, global financial markets, macroeconomic conditions, and economic and competitive uncertainties. This report is current only as of its date, based on data available to BCI at that time. BCI has no obligation to update forward-looking information except as legally required and reserves the right to amend data without notice. The report may include or be based on third-party information that BCI may not have approved, endorsed, or independently verified.

### Cautionary Statement

BCI also cautions readers of the following regarding the statements and other disclosures in this report related to climate and sustainability (collectively, "sustainability disclosures"):

- In establishing and implementing sustainability commitments, and in making sustainability disclosures, BCI has made various assumptions, including about technological, political, economic, regulatory, environmental and climatic factors. These assumptions are inherently subject to uncertainty and may not prove to be correct. If any of these assumptions prove incorrect, it could have a material impact on BCI's sustainability commitments and its ability to effectuate them.
- The market practices, policies, regulations, methodologies, frameworks, criteria, taxonomies and standards that governmental and non-governmental entities, including businesses and civil society, use to classify, assess, measure, report on and verify sustainability disclosures are still evolving. Furthermore, in some cases, sustainability standards may not exist. Changes to or the development of new sustainability standards may cause BCI to amend, replace or restate its sustainability disclosures.
- Technical and other terms used in this report, including those used to describe climate and sustainability matters, are evolving, and BCI's use of such terms may change to reflect such evolution.
- In making sustainability disclosures and in establishing and implementing its sustainability objectives, BCI often relies on data obtained from, or methodologies established by, our portfolio companies and other third-party sources. Although BCI believes these sources are reliable, BCI has not verified all third-party data, or assessed the assumptions underlying such data, and cannot guarantee their accuracy. The data or methodologies used by BCI in connection with sustainability disclosures may be limited in quality, unavailable or inconsistent across sectors or assets.



**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**

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2024-2025

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# CORPORATE FINANCIAL STATEMENTS



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

# Management's Responsibility for Financial Statements



Responsibility for the integrity and objectivity of the accompanying consolidated financial statements of the British Columbia Investment Management Corporation (the "Corporation") rests with management. The consolidated financial statements, which by necessity include some amounts that are based on management's best estimates and judgments, are prepared in accordance with IFRS Accounting Standards. In management's opinion, the consolidated financial statements have been properly prepared within the framework of the material accounting policies summarized in the consolidated financial statements and present fairly the Corporation's financial position, financial performance, and cash flows.

Systems of internal control and supporting procedures are maintained to provide reasonable assurance that transactions are authorized, assets are safeguarded and proper records maintained. The internal accounting control process includes management's communication to employees of the Corporation's policies that govern ethical business conduct.

The Board of Directors oversees management's responsibilities for financial reporting through an Audit Committee, which is comprised entirely of directors who are independent of management, and who are appointed in accordance with the statutory requirements in the Public Sector Pension Plans Act. The Audit Committee reviews the consolidated financial statements of the Corporation and recommends them to the Board for approval. The consolidated financial statements have been reviewed and approved by the Corporation's Board of Directors.

KPMG LLP, an independent auditor, has performed an audit of the consolidated financial statements, and its report follows. KPMG LLP has full and unrestricted access to the Audit Committee to discuss their audit and related findings.

***[S] Gordon J. Fyfe***

---

Gordon J. Fyfe  
Chief Executive Officer/  
Chief Investment Officer

***[S] Rechelle Effendy***

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Rechelle Effendy  
Senior Vice President, Finance/  
Chief Financial Officer

June 20, 2025



**KPMG LLP**

Chartered Professional Accountants  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Telephone (604) 691-3000  
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**INDEPENDENT AUDITOR'S REPORT**

To the Shareholder of British Columbia Investment Management Corporation

***Opinion***

We have audited the consolidated financial statements of British Columbia Investment Management Corporation (the "Corporation"), which comprise:

- the consolidated statement of financial position as at March 31, 2025
- the consolidated statement of income and comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### **Other Information**

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Corporate Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Corporate Annual Report as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



*British Columbia Investment Management Corporation*  
*Page 4*

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
June 20, 2025

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

# Consolidated Statement of Financial Position

(Expressed in thousands of dollars)

As at March 31, 2025, with comparative information for 2024

<b>ASSETS</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Current assets:			
Cash and cash equivalents	4	198,680	\$ 169,412
Trade and other receivables		107,756	92,727
Prepaid expenses		16,662	12,735
Lease receivables	6(B)	—	2,036
<b>Total current assets</b>		<b>323,098</b>	<b>276,910</b>
Premises and equipment	7	109,367	116,885
Prepaid expenses		911	916
<b>Total assets</b>		<b>\$ 433,376</b>	<b>\$ 394,711</b>
<b>LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
Current Liabilities:			
Trade and other payables		\$ 72,836	\$ 54,047
Employee benefits	8	182,235	157,444
Term loan facility	9	2,162	2,109
Contract liabilities	10	15,962	9,002
Lease liabilities	6(A)	7,848	9,137
<b>Total current liabilities</b>		<b>281,043</b>	<b>231,739</b>
Trade and other payables		3,930	635
Employee benefits	8	50,024	55,392
Term loan facility	9	2,778	4,940
Lease liabilities	6(A)	95,601	102,005
<b>Total non-current liabilities</b>		<b>152,333</b>	<b>162,972</b>
<b>Total liabilities</b>		<b>433,376</b>	<b>394,711</b>
Shareholder's equity:			
Retained earnings		—	—
<b>Total equity</b>		<b>—</b>	<b>—</b>
<b>Total liabilities and shareholder's equity</b>		<b>\$ 433,376</b>	<b>\$ 394,711</b>
Commitments	11		

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

[S] Peter Milburn

Peter Milburn,  
Chair, Board of Directors

[S] Tom Vincent

Tom Vincent,  
Chair, Audit Committee

# Consolidated Statement of Income and Comprehensive Income

(Expressed in thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

<b>REVENUE</b>	<b>NOTES</b>	<b>2025</b>	<b>2024</b>
Recoveries of costs	5	\$ 951,253	\$ 889,912
Investment income		6,781	5,637
		958,034	895,549
<b>EXPENSES</b>			
Internal:			
Salaries and benefits	5, 12	\$ 367,726	\$ 315,118
Information systems	5	53,642	48,835
Professional services		42,086	30,769
Office and business	5	17,210	14,841
Depreciation	7	12,578	10,622
Recruitment and training		9,601	8,502
Premises operations		8,002	6,484
Financing interest		3,641	3,851
External:			
Investment management	5	338,976	375,721
Professional services		97,911	74,141
Custodial		6,661	6,665
		958,034	895,549
Net income and comprehensive income		\$ —	\$ —

See accompanying notes to consolidated financial statements.

# Consolidated Statement of Changes in Equity

(Expressed in thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

	RETAINED EARNINGS		TOTAL EQUITY	
Balance, March 31, 2023	\$	—	\$	—
Net income and comprehensive income		—		—
Balance, March 31, 2024		—		—
Net income and comprehensive income		—		—
Balance, March 31, 2025	\$	—	\$	—

See accompanying notes to consolidated financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

# Consolidated Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended March 31, 2025, with comparative information for 2024

	NOTES	2025	2024
Cash flows provided by (used in):			
Operations:			
Net income and comprehensive income		\$ —	\$ —
Items not involving cash:			
Depreciation		12,578	10,622
Investment Income		(6,781)	(5,637)
Financing interest		3,641	3,851
		9,438	8,836
Changes in non-cash items:			
Trade and other receivables		(15,029)	52,545
Prepaid expenses		(3,922)	(2,127)
Trade and other payables		22,084	(4,085)
Employee benefits		19,423	33,232
Contract liabilities		6,960	643
Net cash provided by operating activities		38,954	89,044
Investments:			
Premises and equipment additions		(5,060)	(6,401)
Net cash used in investing activities		(5,060)	(6,401)
Financing:			
Repayment of term loan facility		(2,109)	(2,058)
Interest paid on term loan facility		(155)	(206)
Investment income received		6,781	5,637
Interest paid on lease liabilities		(3,486)	(3,645)
Net repayment of lease liabilities		(5,657)	(5,364)
Net cash used in financing activities		(4,626)	(5,636)
Increase in cash and cash equivalents		29,268	77,007
Cash and cash equivalents, beginning of year		169,412	92,405
Cash and cash equivalents, end of year	4	\$ 198,680	\$ 169,412

See accompanying notes to consolidated financial statements.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

## 1. REPORTING ENTITY

British Columbia Investment Management Corporation (the “Corporation” or “BCI”) is a statutory corporation incorporated under section 16 of the Public Sector Pension Plans Act, SBC 1999 c44 (the “Act”) domiciled in Canada. The address of the Corporation’s head office is 750 Pandora Avenue, Victoria, BC. The consolidated financial statements of BCI include the Corporation and its subsidiaries.

In accordance with the Act, the Corporation invests the money or securities of various public sector pension funds, the Province of British Columbia (the “Province”), provincial government bodies (statutory corporations and institutions), publicly-administered trust funds, and other entities approved by the Province of BC.

The estimated market value of assets managed by the Corporation as of March 31, 2025 was \$252 billion (2024 – \$230 billion). Of that, approximately \$197 billion (2024 – \$179 billion) is invested on behalf of pension funds and \$55 billion (2024 – \$51 billion) on behalf of other BCI clients. These assets are held by BCI as an agent for investment for its clients and may consist of units in one or more pooled investment portfolios whose assets are held in trust by BCI. BCI annually prepares separate audited financial statements for each pooled investment portfolio with more than one unitholder. Neither assets held in trust by BCI in the pooled investment portfolios, nor assets held by BCI as agent for investment for its clients, are consolidated in these financial statements.

## 2. BASIS OF PREPARATION

**(A) STATEMENT OF COMPLIANCE:** The consolidated financial statements have been prepared in compliance with IFRS Accounting Standards and were authorized for issue by the Board of Directors on June 20, 2025.

**(B) BASIS OF MEASUREMENT:** The consolidated financial statements have been prepared on the historical cost basis.

**(C) FUNCTIONAL AND PRESENTATION CURRENCY:** The consolidated financial statements are presented in Canadian dollars, which is the Corporation’s functional currency. All financial information presented has been rounded to the nearest thousand dollars, unless otherwise indicated.

**(D) USE OF ESTIMATES AND JUDGMENTS:** The preparation of consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, and expenses. Actual results may differ from these estimates.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The Corporation applies judgement to determine whether an arrangement contains a lease. The evaluation requires the Corporation to determine whether a contract conveys the right to direct the use of an identified asset, the supplier has a substantive substitution right, the Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period and whether renewal options are reasonably certain of being exercised. For those arrangements considered to be a lease, further judgement is required to determine the lease term and the rate implicit in the lease.

**(E) COMPARATIVE INFORMATION:** Certain comparative information has been reclassified to conform to the current year's presentation.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

**(A) BASIS OF CONSOLIDATION:** Subsidiaries are consolidated in the Corporation's financial statements from the date that control commences until the date that control ceases.

The Corporation consolidates entities when all three of the following characteristics are present:

- Where the Corporation exerts power over the relevant activities of the entity. Power exists if the Corporation has decision making authority over those activities that significantly influence the entity's returns.
- Where the Corporation has exposure or rights to variability of returns of the entity. Exposure exists if the Corporation's returns vary as a result of the performance of the entity.
- Where there exists a linkage between power and returns as described above. A linkage exists when the Corporation can use its power over the activities of the entity to generate returns for itself.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

In the normal course of operations, the Corporation utilizes subsidiary and structured entities to facilitate the management of investment assets:

**(i) Subsidiary entities:** The Corporation establishes subsidiary entities as part of its investment strategy. In all cases, the Corporation holds 100% of the voting shares of these subsidiary entities. The Corporation has power over the relevant activities of these entities, is exposed to variability in returns from these entities, and uses its power to generate these returns. Accordingly, these entities are consolidated into the Corporation.

**(ii) Structured entities:** In the normal course of its operations, the Corporation establishes various structured entities, such as pooled investment portfolios and their subsidiary entities, through its role as investment manager. The Corporation's control over these entities is established either by regulation, or ownership of voting shares, or both. The Corporation has power over the relevant activities of the structured entities; however, in all cases, the Corporation has no exposure or rights to variability of returns in these structured entities. Accordingly, these entities do not meet the criteria for control and are not consolidated.

**(B) CASH AND CASH EQUIVALENTS:** Cash and cash equivalents include cash and units of money market funds with original maturities of three months or less. Cash and cash equivalents are held at amortized cost on the consolidated statement of financial position.

**(C) FINANCIAL INSTRUMENTS:**

**(i) Recognition and measurement:** Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Corporation becomes a party to the contractual provisions of the instrument. The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position only when the Corporation has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Corporation may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Corporation changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Corporation has not classified any of its financial assets as FVTPL or FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Corporation may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

The Corporation has not classified any of its financial liabilities as FVTPL.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

**(ii) Amortized cost:** Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Corporation classifies cash and cash equivalents, trade and other receivables, trade and other payables, employee benefits payable, and term loan facility as amortized cost.

**(D) PREMISES AND EQUIPMENT INCLUDING RIGHT-OF-USE ASSETS:**

**(i) Measurement:** Items of premises and equipment, including right-of-use assets, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Gains and losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment, and are recognized within the consolidated statement of income and comprehensive income.

**(ii) Depreciation:** Depreciation is calculated over the depreciable amount, which is the cost of an asset less its residual value.

Depreciation is recognized in the consolidated statement of income and comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of premises and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Furniture and equipment	10 Years
Computers and related software	5 Years
Leasehold improvements	Lesser of the useful life of the asset and the term of the lease

Depreciation methods, useful lives, and residual values are reviewed at each financial year end and adjusted if appropriate.

**(E) LEASES:** When the Corporation is a lessee, at the inception of a contract, the Corporation assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

- the supplier has a substantive substitution right;

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended March 31, 2025

- the Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period; and
- the Corporation has the right to direct the use of the asset. The Corporation has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

For contracts that contain a lease the Corporation recognizes a right-of-use asset, presented under premises and equipment in the consolidated statement of financial position, and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of premises and equipment.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, when there is a change in future lease payments arising from a change in a rate used to determine those payments, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option.

The Corporation recognizes interest expense, using the effective interest rate method, as financing interest.

The Corporation does not recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

When the Corporation is a lessor, it determines at lease inception whether each lease is a finance lease or operating lease. The Corporation recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of investment income.

To classify each lease, the Corporation makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, if this is the case, the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Corporation considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Corporation is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Corporation applies the exemption described above, then it classifies the sub-lease as an operating lease.

**(F) SHARE CAPITAL:** The capital of the Corporation is one share with a par value of ten dollars and is classified as equity. The share is issued to and registered in the name of the Minister of Finance and must be held by that Minister on behalf of the Government of British Columbia.

**(G) REVENUE:** The Corporation's revenues comprise the following:

**(i) Recoveries of costs:** The Corporation provides investment management services to its clients as contracted under funds management agreements (collectively, the "Management Contracts"). The Corporation's performance obligations in connection with investment management services are satisfied over time through the rendering of services to clients as costs are incurred to them or in relation to the pools in which they participate. As set forth in the Management Contracts, the transaction prices allocated to performance obligations are equal to costs incurred. Contract liabilities recorded in the consolidated statement of financial position relate to the Corporation's future period performance obligations and are recognized in the consolidated statement of income and comprehensive income in the period when the performance obligations have been satisfied.

**(ii) Investment income:** Investment income is recorded on an accrual basis and includes interest income on cash and cash equivalents.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

## (H) EMPLOYEE BENEFITS:

**(i) Defined benefit plans:** The Corporation and its employees contribute to the Public Service Pension Plan (the “Plan”) which is a multi-employer defined benefit pension plan in accordance with the Act. The British Columbia Pension Corporation provides administrative services to the Plan, including payment of pension benefits to employees to whom the Act applies. Due to insufficient information relating to the Corporation’s share of the Plan’s assets and liabilities, the Corporation accounts for the Plan as if it were a defined contribution plan.

The Corporation’s annual cost is represented by contributions required for the respective year.

The Plan operates under joint trusteeship between the employers and the Plan members, who share in the risks and rewards associated with the Plan’s unfunded liability or surplus. The most recent actuarial valuation as of March 31, 2023 indicated that the Plan was 113% funded.

**(ii) Annual incentive plan:** The Corporation provides an incentive to employees through an annual incentive plan (“AIP”). At the end of each fiscal year, eligible employees are entitled to an AIP Award. AIP is accrued for eligible employees based on the achievement of corporate objectives, investment performance and individual efforts. The estimated payments relating to the current year, which will be paid out in the next fiscal year, are recorded as a current liability.

**(iii) Long term incentive plan:** The Corporation provides a retention incentive to employees in senior staff positions through a long-term incentive plan (“LTIP”). At the end of each fiscal year, eligible employees are entitled to an LTIP Total Award. Each Total Award vests in three equal installments over a three-year period. LTIP is accrued for eligible employees at an amount equal to one third of the estimated aggregate pay-out for the current year and each of the following two years. The estimated payments relating to current and previous years, which will be paid out in years beyond the next fiscal year, are recorded as a long-term liability.

**(iv) Long service retiring allowance:** Employees hired prior to October 31, 2007 are entitled to a long service retiring allowance (“LSRA”) as provided for under their terms of employment. As employees render the services necessary to earn the benefit, the Corporation estimates and accrues the future obligation for retiring allowances.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

**(I) FOREIGN CURRENCY TRANSACTIONS:** Transactions denominated in foreign currencies are translated by applying the exchange rate prevailing on the date of the transaction. At each reporting date, all monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the closing exchange rate. Any resulting translation adjustments are recorded in net income or loss.

**(J) TAXATION:** The Corporation is an agent of the government of British Columbia and is immune from income taxes.

**(K) FUTURE ACCOUNTING POLICIES:** Presentation and disclosure in financial statements: IFRS 18 Accounting Standards will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after January 1, 2027.

The new standard requires entities to classify all income and expenses into specific categories in the statement of comprehensive income. Entities are also required to present a newly-defined operating profit subtotal.

Management is in the process of assessing the impact of the new standard.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

## 4. CASH AND CASH EQUIVALENTS

<b>2025</b>			
<b>CURRENCY</b>	<b>CASH</b>	<b>SHORT TERM MONEY MARKET INSTRUMENTS</b>	<b>TOTAL CASH AND CASH EQUIVALENTS</b>
Canadian dollars	116,221	15,475	131,696
United States dollars	45,685	18,934	64,619
British pounds	1,293	—	1,293
Other currencies	1,072	—	1,072
	164,271	34,409	198,680

<b>2024</b>			
<b>CURRENCY</b>	<b>CASH</b>	<b>SHORT TERM MONEY MARKET INSTRUMENTS</b>	<b>TOTAL CASH AND CASH EQUIVALENTS</b>
Canadian dollars	9,687	131,549	141,236
United States dollars	17,936	8,860	26,796
British pounds	1,341	—	1,341
Other currencies	39	—	39
	29,003	140,409	169,412

Short-term money market instruments consist of units in pooled investment portfolios managed by the Corporation, specifically the Canadian Money Market Fund and the US Money Market Fund.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

## 5. RELATED PARTY TRANSACTIONS

**Province of British Columbia:** The Corporation is related to all Province of British Columbia ministries, agencies and British Columbia statutory corporations through common ownership. Transactions and balances with these entities are in the normal course of operations and are recorded at the exchange amounts as follows:

Transactions	2025	2024
Recoveries of costs	\$ 677	\$ 739
Salaries and benefits	5,130	3,556
Information systems	922	702
Office and business	75	23
<b>Balances</b>		
Trade and other payables	(175)	(148)

**Pension Plans:** The Corporation is related to the College, Municipal, Public Service and Teachers' pension plans. The pension plan boards appoint members to the BCI board and BCI provides investment management services to various public sector pension funds, the Province of British Columbia, provincial government bodies, publicly administered trust funds, and other entities approved by the Province of BC. Transactions with these entities are in the normal course of operations and consist of the recovery of costs that are recorded at the exchange amounts.

In addition to the above, for the year ended March 31, 2025, the Corporation received \$1,040 (2024 – \$1,134) in recoveries of costs from sub-lease of offices to British Columbia Pension Corporation.

**QuadReal Property Group Limited Partnership ("QuadReal LP"):** QuadReal LP provides asset management, property management, and investment advisory services to BCI in relation to real estate and real estate debt pooled investment portfolios. BCI provides administrative services to QuadReal LP on a cost recovery basis. During the year, the Corporation entered into two arm's length lease agreements with QuadReal LP to rent office space in Victoria and Vancouver, BC. which are discussed in more detail in Note 6. Transactions and balances with QuadReal LP are in the normal course of operations and are recorded at the exchange amounts as follows:

Transactions	2025	2024
Recoveries of costs	\$ 36,552	\$ 32,051
Investment management	299,732	338,436
<b>Balances</b>		
Trade and other receivables	9,850	2,869
Right of use assets - buildings	5,751	6,208
Lease liabilities	6,212	6,361

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

**BCI United Kingdom Investment Entities:** BCI has two UK investment entities, UK IRR Limited, incorporated in 2022, and UK PE Limited, incorporated in 2024. These entities are established to hold UK-based Infrastructure & Renewable Resources and Private Equity investments, respectively. Each entity is supported by teams of employees dedicated to sourcing new investments and managing existing ones. The Corporation oversees the administration of these entities. Transactions with these entities occur in the normal course of operations and are recorded at exchange amounts. During the year, the Corporation incurred expenses amounting to \$3,216 (2024 - \$3,682) with BCI UK IRR Limited and \$3,171 (2024 - Nil) of expenses with BCI UK PE Limited.

## Key Management Personnel Compensation:

Included in salaries and benefits are the following amounts related to key management personnel compensation:

	2025	2024
Base salary	\$ 4,609	\$ 4,300
Annual incentive plan	10,052	9,956
Long-term incentive plan	10,189	8,961
Other short-term benefits	1,165	1,309
Post-employment benefits - pension contributions	454	420
	\$ 26,469	\$ 24,946

## 6. LEASES

### (A) LEASES AS A LESSEE:

During the year ended March 31, 2016, the Corporation entered into an arm's length lease agreement to rent office space in Victoria, BC. This lease took effect in March 2018, following completion of construction of the new building. Subsequent to the execution of the lease, bcIMC Realty Corporation invested in the Victoria office development project, becoming a 50% co-owner. bcIMC Realty Corporation is wholly owned through a pooled investment portfolio managed by the Corporation. The initial term of the lease is twenty years with three renewal options of five years each.

During the year ended March 31, 2020, the Corporation entered into a lease agreement to rent office space in Vancouver, BC. The Vancouver lease has an initial ten year term with one renewal option of five years.

During the year ended March 31, 2023, the Corporation entered into lease agreements to rent office spaces in New York City and London. The New York lease has an initial ten year term with one renewal option of ten years. The London lease has an initial term of five years with no renewal option.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

During the year ended March 31, 2024, the Corporation entered into two lease agreements to rent office space in Victoria and Vancouver, BC. The Victoria lease has an initial term of fourteen years with three renewal options of five years each. The Vancouver lease has an initial term of ten years with no renewal option. The Corporation also secured more office space to expand the existing New York office. The additional New York lease has an initial term of nine years with one renewal option of ten years.

The Corporation discounted lease payments related to the office leases using the incremental borrowing rate determined for each lease. At March 31, 2025, the discount rates applied ranged from approximately 2.7% to 6.5% (2024 - 2.7% to 6.5%).

Continuity of liabilities arising from leases:

	2025	2024
Balance, beginning of year	\$ 111,142	\$ 111,410
Additions	—	7,269
Payments	(7,693)	(7,537)
Balance, end of year	103,449	111,142
Current portion	7,848	9,137
Non-current portion	95,601	102,005

Lease liabilities are payable as follows:

	2025	2024
Less than 1 year	\$ 10,667	\$ 12,520
Between 1 and 5 years	42,054	42,299
More than 5 years	69,931	80,534
Total undiscounted lease liabilities	122,652	135,353
Less future interest expense	(19,203)	(24,211)
Total lease liabilities	\$ 103,449	\$ 111,142

During the year ended March 31, 2025, the Corporation recognized \$3,486 (2024 - \$3,645) of interest expense related to lease liabilities.

**(B) LEASES AS A LESSOR:** The Corporation has three signed agreements to sub-lease its vacated office space in Victoria that took effect in April 2018. All sub-lease agreements ended in February 2025.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended March 31, 2025

The Corporation discounted lease payments receivable from sub-leases using the interest rate implicit in the lease of 2.3%.

Continuity of receivables arising from sub-leases:

	2025	2024
Balance, beginning of year	\$ 2,036	\$ 4,209
Payments	(2,036)	(2,173)
Balance, end of year	—	2,036
Current portion	—	2,036
Non-current portion	\$ —	\$ —

Sub-lease assets are receivable as follows:

	2025	2024
Less than 1 year	\$ —	\$ 2,036
Between 1 and 5 years	—	—
Total undiscounted lease receivables	—	2,036
Less unearned interest income	—	—
Total lease receivables	\$ —	\$ 2,036

During the year ended March 31, 2025, the Corporation recognized \$20 (2024 - \$71) of interest income related to lease receivables.

## Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended March 31, 2025

## 7. PREMISES AND EQUIPMENT

	FURNITURE AND EQUIPMENT	COMPUTERS AND RELATED SOFTWARE	LEASEHOLD IMPROVEMENTS	RIGHT-OF USE ASSETS - BUILDINGS	TOTAL
<b>Cost:</b>					
Balance, April 1, 2023	\$ 6,075	\$ 10,036	\$ 21,765	\$ 120,716	\$ 158,592
Additions	1,521	473	4,407	7,269	13,670
Balance, March 31, 2024	7,596	10,509	26,172	127,985	172,262
Additions	9	344	4,707	—	5,060
Balance, March 31, 2025	\$ 7,605	\$ 10,853	\$ 30,879	\$ 127,985	\$ 177,322
<b>Accumulated depreciation:</b>					
Balance, April 1, 2023	\$ 3,150	\$ 8,746	\$ 10,185	\$ 22,673	\$ 44,754
Depreciation for the year	609	387	2,209	7,417	10,622
Balance, March 31, 2024	3,760	9,133	12,394	30,090	55,377
Depreciation for the year	749	478	3,029	8,322	12,578
Balance, March 31, 2025	\$ 4,509	\$ 9,611	\$ 15,423	\$ 38,412	\$ 67,955
<b>Carrying amounts:</b>					
March 31, 2024	\$ 3,837	\$ 1,376	\$ 13,778	\$ 97,895	\$ 116,885
March 31, 2025	\$ 3,096	\$ 1,242	\$ 15,456	\$ 89,573	\$ 109,367

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

## 8. EMPLOYEE BENEFITS

### CURRENT:

	2025	2024
Employee benefits	\$ 11,404	\$ 7,658
Annual incentive plan	113,531	102,495
Long term incentive plan	57,097	47,144
Long service retiring allowance	203	147
	\$ 182,235	\$ 157,444

### NON-CURRENT:

	2025	2024
Long term incentive plan	\$ 49,382	\$ 54,705
Long service retiring allowance	642	687
	\$ 50,024	\$ 55,392

## 9. TERM LOAN FACILITY

In July 2017, the Corporation secured a bank term loan facility to fund tenant leasehold improvements at the Corporation's head office in Victoria, BC.

Interest is charged at a fixed rate of 2.5% per annum, payable quarterly in arrears. The loan principal and interest are payable in equal quarterly installments of \$566 until completion of the loan repayment at June 30, 2027.

At March 31, 2025, the fair value of the term loan facility is \$4,865 (2024 – \$6,828). There have been no defaults or breaches of the loan terms during the year. Movements in the carrying amount of the term loan facility are presented below:

	2025	2024
Carrying amount, beginning of year	\$ 7,049	\$ 9,107
Repayment	(2,109)	(2,058)
Carrying amount, end of year	4,940	7,049
Current portion	2,162	2,109
Non-current portion	2,778	4,940

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)

Year ended March 31, 2025

## 10. CONTRACT LIABILITIES

	2025	2024
Balance, beginning of year	\$ 9,002	\$ 8,359
Net change in performance obligations during the period	6,960	643
Balance, end of year	\$ 15,962	\$ 9,002

## 11. COMMITMENTS

**PREMISES:** Future minimum payments for operating costs which are variable in nature, based on total rentable area of the lease agreements for office space, are as follows:

	2025	2024
Less than 1 year	\$ 6,446	\$ 7,568
Between 1 and 5 years	26,815	26,294
More than 5 years	56,102	62,971
	\$ 89,363	\$ 96,833

The Corporation's subleased office space ended in February 2025, which resulted in the following net future payments for operating costs:

2025	GROSS	ASSIGNED	NET
Less than 1 year	\$ 6,446	\$ —	\$ 6,446
Between 1 and 5 years	26,815	—	26,815
More than 5 years	56,102	—	56,102
	\$ 89,363	\$ —	\$ 89,363

2024	GROSS	ASSIGNED	NET
Less than 1 year	\$ 7,568	\$ 1,600	\$ 5,968
Between 1 and 5 years	26,294	—	26,294
More than 5 years	62,971	—	62,971
	\$ 96,833	\$ 1,600	\$ 95,233

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

**SOFTWARE AND SUPPORT AGREEMENTS:** The Corporation has various software and support subscription agreements. Future minimum subscription payments are based on current estimates and are as follows:

	2025	2024
Less than 1 year	\$ 18,961	\$ 12,503
Between 1 and 5 years	19,459	13,474
	\$ 38,420	\$ 25,977

## 12. SALARIES AND BENEFITS

	2025	2024
Salaries	\$ 158,757	\$ 127,753
Annual incentive plan	115,941	101,073
Long term incentive plan	58,101	54,224
Benefits:		
Health	11,516	\$ 12,571
Pension	13,034	\$ 11,455
Insurance and other	10,377	\$ 8,042
	\$ 367,726	\$ 315,118

## 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements are classified into a three level hierarchy based on the significance of the inputs used in making the fair value measurements. Level 1 measurements are determined by reference to quoted prices in active markets for identical assets and liabilities. Level 2 measurements include those measured using inputs that are based on observable market data, either directly or indirectly. Level 3 measurements are based on unobservable inputs. The Corporation's financial assets and liabilities are measured at amortized cost and are considered Level 2 because while observable prices are available, they are not quoted in an active market.

The fair value of the Corporation's financial instruments which includes cash and cash equivalents, trade and other receivables, trade and other payables, and employee benefits, approximates their carrying value due to the short-term to maturity of these instruments. The fair value of the Corporation's outstanding term loan facility is disclosed in Note 9.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

## 14. FINANCIAL RISK MANAGEMENT

In the ordinary course of operations, the Corporation may be exposed to risk arising from its financial instruments as follows:

**(A) CREDIT RISK:** Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's cash equivalents and trade and other receivables.

The Corporation's cash is held with high quality financial institutions and the cash equivalents are held in BCI money market funds managed by the Corporation. Trade and other receivables relate primarily to fees and receivables from pooled investment portfolios managed by the Corporation and are generally short-term in nature.

The Corporation's role as fund manager for the pooled investment portfolios and the highly liquid nature of the Corporation's cash and cash equivalents mitigates credit risk.

**(B) LIQUIDITY RISK:** Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation operates on a cost recovery basis and recovers all of its expenses through the pooled investment portfolios and segregated client accounts it manages on a timely basis, limiting liquidity risk.

## Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

The following table shows contractual maturities of the Corporation's liabilities as at March 31:

<b>MARCH 31, 2025</b>	<b>WITHIN 1 YEAR</b>	<b>1 TO 5 YEARS</b>	<b>5 TO 10 YEARS</b>	<b>OVER 10 YEARS</b>	<b>TOTAL</b>
Trade and other payables	\$ 72,836	\$ 3,930	\$ —	\$ —	\$ 76,766
Employee benefits	11,404	—	—	—	11,404
AIP / LTIP	170,628	49,382	—	—	220,010
LSRA	203	351	87	204	845
Term loan facility	2,162	2,778	—	—	4,940
	\$ 257,233	\$ 56,441	\$ 87	\$ 204	\$ 313,965

<b>MARCH 31, 2024</b>	<b>WITHIN 1 YEAR</b>	<b>1 TO 5 YEARS</b>	<b>5 TO 10 YEARS</b>	<b>OVER 10 YEARS</b>	<b>TOTAL</b>
Trade and other payables	\$ 54,047	\$ 635	\$ —	\$ —	\$ 54,682
Employee benefits	7,658	—	—	—	7,658
AIP / LTIP	149,639	54,705	—	—	204,344
LSRA	147	337	142	208	834
Term loan facility	2,109	4,940	—	—	7,049
	\$ 213,600	\$ 60,617	\$ 142	\$ 208	\$ 274,567

**(C) CURRENCY RISK:** Currency risk is the risk that the Corporation's financial instruments will fluctuate in value from changes in value of foreign currencies in relation to the Canadian dollar. Other than cash and cash equivalents, the Corporation does not hold significant net financial assets nor have significant net financial obligations denominated in currencies other than Canadian dollars. Cash and cash equivalents denominated in currencies other than Canadian dollars are disclosed in Note 4.

The Corporation is exposed to foreign currency risk due to fluctuations in the exchange rate between the US Dollar (USD) and the Canadian Dollar (CAD). As of the reporting date, if the Canadian dollar had strengthened/weakened by 10% in relation to the U.S currency, holding all other variables constant, the cash balance denominated in USD would have increased/decreased by \$4,568 (2024 - \$1,794).

**(D) INTEREST RATE RISK:** Interest rate risk refers to the effect on the fair value or future cash flows of financial instruments of fluctuations in both long-term and short-term nominal and real interest rates. The Corporation's cash equivalents are in units of money market investment portfolios that are interest rate sensitive; however, the underlying financial instruments re-price on a frequent basis. Other financial assets and liabilities have a short term to maturity or have fixed rates of interest, limiting exposure to interest rate risk.

# Notes to Consolidated Financial Statements

(Amounts expressed in thousands of dollars, unless otherwise indicated)  
Year ended March 31, 2025

## 15. CAPITAL MANAGEMENT

The Corporation's objectives in managing capital are to ensure compliance with the Act, whereby the Corporation must recover its operating costs and capital expenditures from amounts charged to the funds, persons, organizations and other clients or from investment income. The Corporation is not subject to any internal or external restrictions on its capital.



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