

The background of the entire page is a photograph of two people, a man and a woman, seen from behind as they ascend a wide, modern staircase. The man is on the left, wearing a light-colored shirt and dark trousers, carrying a bag. The woman is on the right, wearing a grey blazer and dark trousers, carrying a large black bag. The staircase has a light-colored railing. The sky is a clear, pale blue. The overall tone is professional and aspirational.

BCi

2025-2026 CORPORATE ANNUAL REPORT

Built to Evolve

This document is prepared in accordance with Section 20(2)(e)(v) of British Columbia's *Public Sector Pension Plans Act* for the Honourable Minister of Finance.

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 June 23, 2026, 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.

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Introduction

Who We Serve

BCI exists to strengthen the financial security of the members of the public pension, insurance, and special purpose funds for which we invest.

Headquartered in Victoria with a global reach, BCI combines the scale and stability of a world-class asset manager with an unwavering commitment to the communities it serves. We steward more than \$313.7 billion in gross assets under management, generating returns that help fund pension benefits, support affordable insurance premiums, finance government programs, and advance prosperity for Indigenous communities across Canada.

Gross Assets Under Management

\$313.7 Billion

Evolving Global Realities

Fiscal 2026 brought a significant shift in the global investment landscape.

A realignment in U.S. trade policy triggered sharp market volatility, tested global supply chains, and increased uncertainty around cross-border investment. Central banks continued cutting interest rates, though the pace and extent of those cuts were tempered by re-emerging inflationary pressures. Public equity markets delivered another year of strong returns, in part due to robust performance from the large technology stocks, which have dominated in recent years. Canadian and emerging market equities were also notable contributors, adding to global equity gains. Real estate equity continued to face headwinds, as elevated interest rates and soft market conditions delayed the anticipated recovery.

While some stabilization emerged in the second half of the year, escalating conflict in the Middle East kept the outlook uncertain at year end.

These dynamics underscore the value of the resilience BCI has built into client portfolios — through geographic diversification, broad asset class exposure, and disciplined liquidity management — while also highlighting the need to keep evolving how we invest and operate, and to find new sources of value in a less certain world.

Innovation as a Strategic Imperative

As market pressures intensify, innovation has become essential to maintaining performance and meeting client expectations.

Over the past two years, BCI has built the foundation for an enterprise-wide culture of innovation, establishing the Innovation Council, launching BCIdeate for organization-wide idea capture, and creating the Innovation Accelerator Fund to seed pilot projects. BCI is now moving from that foundation toward consistent, disciplined execution, combining broad employee engagement with targeted strategic initiatives supported by clear governance and dedicated resources.

Technology is central to this progress. BCI was among the first institutional investors in Canada to adopt an Artificial Intelligence (AI) first strategy as well as AI-assisted tools, expanding their use across investment and corporate functions. To deepen that capability, BCI's PowerUp for Success program has equipped employees with practical AI and digital skills through expert-led training sessions, and in fiscal 2026, BCI introduced the AI Literacy Learning Path — a structured, role-based program offering a clear progression from foundational AI fluency to advanced agent design — ensuring every employee has a path to work confidently in an AI-first environment.

That proficiency is already shortening the path from idea to impact, most notably through the deployment of an AI-powered platform that now enables teams to build custom applications in days rather than weeks or months. AI tools have become a routine part of how people work at BCI, embedded in daily practice rather than reserved for specialist teams.

Across the investment lifecycle and through corporate and operational functions, AI tools are delivering meaningful productivity gains, improving the quality and timeliness of insights that inform both investment decisions and day-to-day operations. These capabilities strengthen BCI's ability to pursue opportunities that provide long-term financial sustainability for clients. Underpinning this progress is BCI's AI Governance Directive — a risk-based framework governing the responsible and secure use of AI systems across the organization. Together with ongoing improvements to enterprise risk capabilities, cybersecurity, and organizational resilience, this governance framework reinforces the stability and discipline that underpin the investment approach.

INNOVATION LEADERSHIP AWARD

BCI was recognized for its innovation leadership, receiving the Info-Tech Research Group Innovator of the Year award and CIO Awards Canada recognition for AI-powered invoice processing.



CIO Awards Canada 2025 Celebration

Insight | IDC

Looking Ahead

This foundation of innovation and operational strength positions BCI well as it enters the final year of the F2025–2027 business plan, with pension plan funded ratios ranging from 100 to 124% and insurance plan ratios ranging from 139 to 173%.

The progress achieved over the past decade leaves BCI primed to navigate maturing pension plans, evolving client needs, heightened market competition, and rapid technological change. With a scalable, cost-effective model, a highly specialized team, strong client partnerships, and a growing culture of innovation, BCI is well-positioned to continue securing financial futures in a changing world.

BCI Assets Under Management (AUM)

	Total (\$ Billions)	Total (%)	Combined Pension Plan (\$ Billions)
Public Markets			
Fixed Income	91.8	34.6	70.5
Public Equities	61.2	23.1	47.3
Other Strategies ¹	0.7	0.3	0.8
Private Markets			
Real Estate Equity	52.8	19.9	42.8
Private Equity	36.1	13.6	30.6
Infrastructure & Renewable Resources	36.5	13.8	29.1
Private Debt	22.2	8.4	18.0
Real Estate Debt	12.4	4.7	8.5
Total Gross AUM	313.7	118.4	249.0
Funding Program	(30.3)	(11.4)	(28.0)
Other Leverage ²	(18.0)	(6.8)	(13.9)
Total Net AUM	265.4	100.0	207.1

Global Distribution of Gross Assets Under Management

Region	BCI Presence	(%)
Canada	Victoria and Vancouver	36.9
Asia Pacific	Mumbai ³	3.1
Emerging Markets		7.6
Europe	London	12.9
United States	New York	39.4

Invested in Canada

Domestic investment is important to BCI. With \$116 billion invested in Canada, representing 36.9% of gross assets under management across all asset classes, our breadth of exposure reflects not only the depth of opportunity in Canada but also our long-standing role as a contributor to the provincial and national economies. Where opportunities meet our return and risk criteria, we are committed to growing our Canadian presence — with particular interest in infrastructure investments, including airports, energy, and transportation, where stable, long-term assets align with our clients' needs.

Invested in Canada

\$116 Billion

Clients

BCI invests on behalf of 33 clients in British Columbia's public sector, including 10 pension funds, 3 insurance funds, and 20 special purpose funds comprised of public trusts, endowments, and an Indigenous settlement fund.

Each relationship is built on a deep understanding of our clients' individual obligations and long-term goals. All pension and insurance clients maintained strong funded positions, and overall client sentiment towards BCI's services improved, reflecting the strength of our partnerships.

Disbursed to clients in Fiscal 2026

\$15.6 Billion

CLIENT PROFILE BASED ON NET ASSETS UNDER MANAGEMENT

Pension Funds

\$209.2B
TOTAL VALUE

78.9%
SHARE OF AUM

Insurance Funds

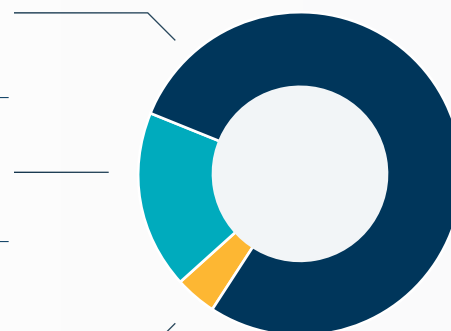
\$46.3B
TOTAL VALUE

17.5%
SHARE OF AUM

Special Purpose Funds

\$9.8B
TOTAL VALUE

3.7%
SHARE OF AUM



ANNUALIZED RETURNS FOR BCI'S COMBINED PENSION PLAN CLIENTS

1-YEAR RETURNS	5-YEAR RETURNS	10-YEAR RETURNS	20-YEAR RETURNS	25-YEAR RETURNS
6.7%	7.0%	8.1%	7.3%	7.4%



ON-SITE TOUR

In October 2025, BCI brought client trustees to GCT Deltaport for an on-site Investment Insights Tour, one of Canada's most strategically significant trade assets and a BCI infrastructure holding. Clients witnessed innovation in action across the terminal, including remote-operated ship-to-shore cranes delivering centimetre-level precision and Canada's only semi-automated on-dock rail facility, which transfers containers directly from vessel to rail, reducing emissions, congestion, and supply chain costs. A recently completed transition to 100% renewable diesel, in partnership with local First Nations, has achieved reductions of 65–68% in emissions.

CHAIR LETTER

Peter Milburn

Chair of the BCI Board of Directors



In a year defined by rising geopolitical tensions and increasing economic uncertainty, the BCI Board's focus remained constant: protecting the long-term value we deliver to BCI's clients while ensuring BCI has the governance foundations and strategic outlook to navigate whatever lies ahead. We advanced BCI's strategic priorities, supported continued innovation across the organization, and strengthened oversight practices, keeping governance, risk management, and strategic execution aligned as BCI grows in scale and complexity.

The BCI Board maintained oversight of BCI's innovation ambitions — ensuring they are appropriately governed, well-resourced, and sequenced to match the organization's capacity for change. This work supports BCI's goal to be a leader among global institutional investors in integrating new technologies and delivering operational improvements.

We also kept a close eye on the risks and opportunities that matter most to our clients. We commissioned an independent review of BCI's cybersecurity program, which confirmed our governance and controls are strong and identified areas for further advancement. We continued to monitor AI, disruptive technology, and cyber risk, engaging with management on how best to harness them. The shifting geopolitical landscape, and Canada's evolving role within it, also demanded close attention given BCI's global investment mandate.

People and governance, as always, remain central to our work. This year, we completed the triennial compensation review and continued to monitor retention, recruitment, and succession planning through the Human Resources and Governance Committee (HRGC).

Our annual strategic retreat centred on compensation and benchmark governance, potential strategic projects, and BCI's long-term direction. Benchmark governance was a key focus, and we worked with management to evolve BCI's performance measurement framework to better reflect market conditions and the growing complexity of our investment program. Those discussions informed the annual benchmark review, which produced targeted updates to the Private Equity and Real Estate Equity benchmarks to enhance client communication and reporting. We also established a benchmark for the newly launched Investment Grade Private Credit Fund.

I was honoured to be reappointed as Chair of the BCI Board this year. It is a privilege to serve alongside such a thoughtful and committed group of Directors and to support a leadership team determined to deliver on BCI's strategic ambitions. We welcomed new colleagues to the BCI Board — Wendy Strugnell and Geraldine Hutchings. We also extend our sincere thanks to Gayle Gorriell and Weldon Cowan, whose terms concluded this year, for their many years of dedicated service to BCI and its clients.

Looking ahead, our priorities are clear. We will support innovation that improves client outcomes and maintain disciplined oversight of AI, cyber, and geopolitical risks and opportunities to ensure our governance and talent frameworks enable sustainable growth. On behalf of the BCI Board, I thank our leadership team and every BCI employee for their hard work and commitment to putting our clients' interests at the centre of every decision.

A stylized, handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a recognizable name.

PETER MILBURN

Chair of the BCI Board of Directors

CEO/CIO LETTER

Gordon J. Fyfe

Chief Executive Officer/Chief Investment Officer



This year was bookended by volatility. Fiscal 2026 began with the United States' imposition of broad tariffs in April, unsettling global markets and clouding the growth outlook. The shock moderated, and markets recovered through much of the fiscal year. That calm ended in late February with the onset of conflict in the Middle East, renewed pressure on energy prices, and a fresh uptick in inflation expectations.

This is the kind of environment BCI is built for. Our portfolio is broadly diversified, our liquidity is carefully managed, and our investment teams include veterans of the 2008 Global Financial Crisis and the COVID dislocation. We were never forced to react. Market stress creates opportunity, and we chose when and where to move. The structural picture, however, has shifted.

Geopolitical risk, once largely confined to emerging markets, has become a defining feature of the developed market landscape. The risk of stagflation – weak growth alongside persistently high inflation – is more present than it has been in years, even as public equities flirt with all-time highs. We are factoring these risks into our underwriting and into our investment strategy advice to clients.

PERFORMANCE

Against that backdrop, the combined pension plan delivered a one-year return of 6.7%, above the average client actuarial return objective of 6.0%, and plans remain fully funded with funding ratios ranging from 100 to 124%.

Most investment programs delivered solid results, but Real Estate Equity returning -4.9% is the exception, and it warrants direct discussion. Over multiple cycles and across global markets, this program has delivered consistent long-term returns — that track record is the

right lens for what happened this year. Vancouver's condominium market was hit by a confluence of factors softening demand: interest rates, foreign-buyer taxes, and vacancy taxes, prompting QuadReal to take a write-down on the Oakridge development. The opening and near-full leasing of the shopping centre move it from a construction asset to an income-generating investment in the year ahead.

The rest of the portfolio performed well. Public Equities led headline performance at 18.8%. Our Funding Program had its strongest year yet, significantly oversubscribed and continuing to attract international capital, including from banks, insurance companies, and asset managers.

Private Equity returned 8.1%, strong relative to industry. The team deployed \$6.7 billion in new investments, nearly three times that of the prior year, while also completing \$1.9 billion in secondary sales and exiting our stake in Hayfin Capital Management at attractive terms. Within Private Equity, our Venture and Growth program generated a return more than double the broader program. It surpassed \$1 billion in assets and will continue to scale through direct investments in high-growth technology companies and commitments to leading venture & growth funds. Among our direct investments, Photonic Inc., a Vancouver-based quantum computing company, recently closed a financing round at a \$2 billion valuation, reflecting significant value creation since our initial investment.

These results were delivered at low cost and in service of clients. Overall client satisfaction reached 98% in our latest survey. Independent benchmarking from CEM put our operating costs at 56.2 basis points against a peer median of 65.2.¹ On our asset base, that represents nearly \$300 million in annual savings, all of which flows through to clients.

CEO/CIO LETTER

The organization itself is healthy. Employee engagement reached 8.2 out of 10, a third consecutive annual increase and above the financial services industry benchmark, and BCI was again recognized as one of Canada's Top 100 Employers.

STRATEGIC HIGHLIGHTS

Disciplined liquidity management is a competitive advantage in stressed markets. This year made the case plainly. As some retail credit funds sold assets to meet redemptions, they brought private loans to institutional investors like BCI; our underwriting capacity let us choose the best of what came available on attractive terms.

The same long-horizon discipline shaped our largest transaction of the year: our \$1.9 billion acquisition of BBGI Global Infrastructure, our first take-private as sole investor. BBGI owns stakes in the physical assets of hospitals, schools, housing, bridges, and roads across seven countries. A separate platform open to third-party capital, BBGI gives us a new way to deploy capital at scale, generating long-term, inflation-linked income from government-backed contracts. That is exactly what our clients need.

Shortly after fiscal year-end, we launched our new Investment Grade Private Credit Fund, developed in consultation with clients seeking reliable income at higher credit quality and well-suited to be resilient under a stagflationary environment. Several clients have notionally allocated already, and the fund rounds out a private credit platform that has delivered strong performance.

Through the year, BCI also participated in federal consultations focused on how to make Canada a more attractive destination for investment capital, so that more capital naturally flows here. The discussions ranged across infrastructure investment, asset recycling, and the mobilization of long-term institutional capital. We approach those conversations as we approach every investment decision. Any opportunity we ultimately pursue will need to clear the same bar: delivering risk-adjusted returns for our clients.

LOOKING AHEAD

We are continuing to invest in the things that have always been part of our edge: our people and how we work.

We completed our post-quantum security assessment this year, ensuring the data we hold today will be protected against decryption as quantum computing matures. Over 90% of our people now use AI tools weekly, setting up the bigger shift we are starting: redesigning how work gets done.

Two executive appointments strengthen our leadership team for what lies ahead. Jon Salon was appointed Global Head of Private Equity, bringing more than three decades of investment and operational experience. Jeremy Trickett joined the Executive Management Team as Chief Legal Officer in an expanded role, bringing international experience that supports BCI's global expansion.

We are seeding the next generation of BCI: our co-op program received over 14,000 applications for roughly 200 positions, and we more than tripled our Indigenous scholarships to nine this year.

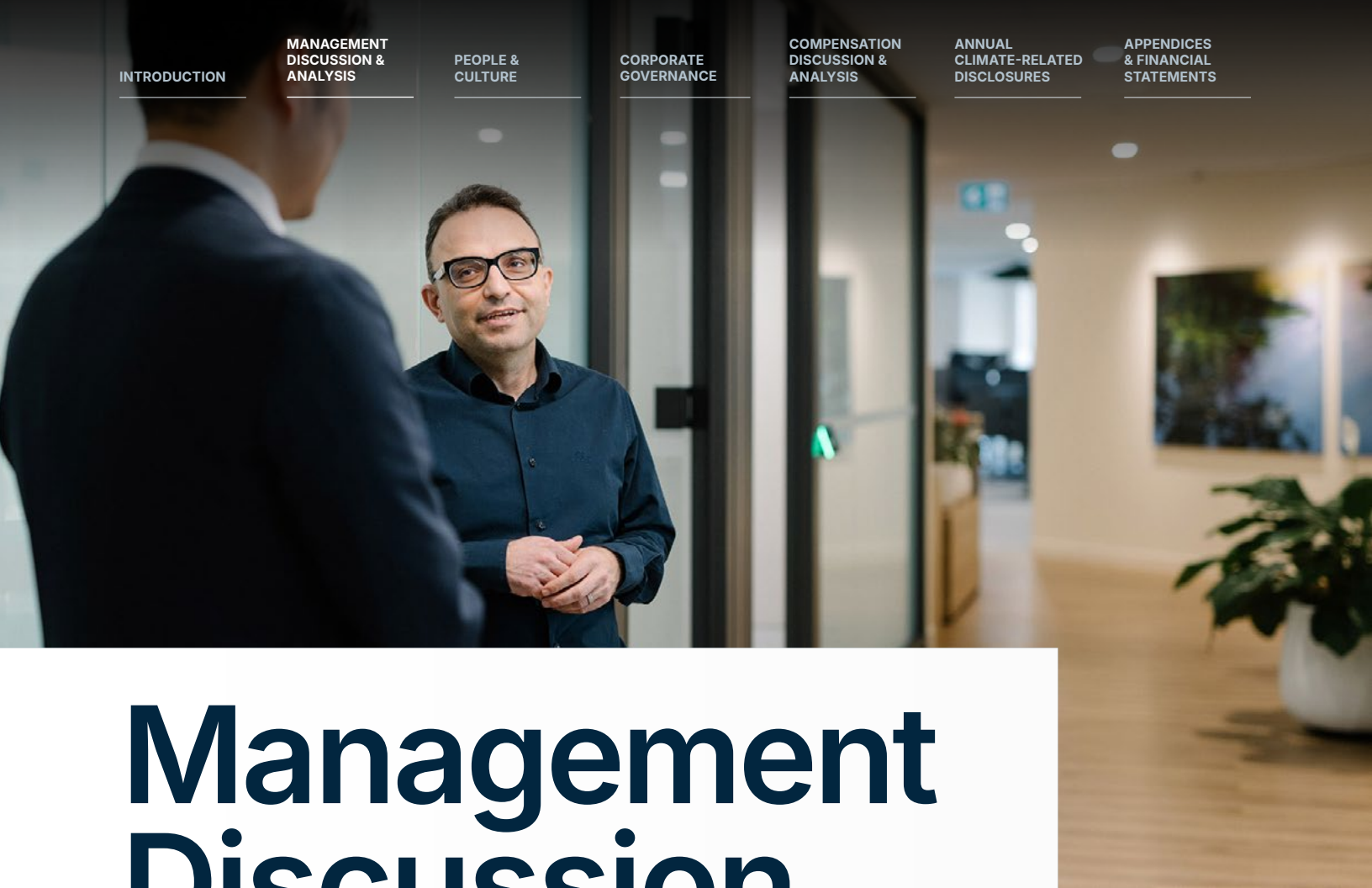
I also asked twelve future leaders of BCI to imagine where this organization needs to go. Their work over the past year is shaping priorities this year and our planning beyond.

IN CLOSING

This was a year of volatility on the surface with steady results underneath. My thanks to the Board for their counsel, to my fellow members of the Executive Management Team, and to the people throughout BCI for all they delivered. We were ready for what this year brought. We will be ready for what comes next.



GORDON J. FYFE
Chief Executive Officer/Chief Investment Officer



Management Discussion & Analysis

In this section:

- Investment Review
 - Operating Context
 - Investment Funds
- Benchmark and Performance Objectives
- Analysis of Combined Pension Plan Returns
- Cost Management
- Fixed Income
- Public Equities
- Private Debt
- Infrastructure & Renewable Resources
- Private Equity
- Real Estate Equity
- Real Estate Debt
- Environmental, Social, Governance
- Risk Management
 - Enterprise Risk Management
 - Investment Risk Management
- Business Plan

Investment Review

Operating Context

BCI's clients — pension plans, insurance funds, and special purpose funds — exist to meet long-term financial commitments to the people they serve, funding retirement income, insurance claims, and long-term benefits.

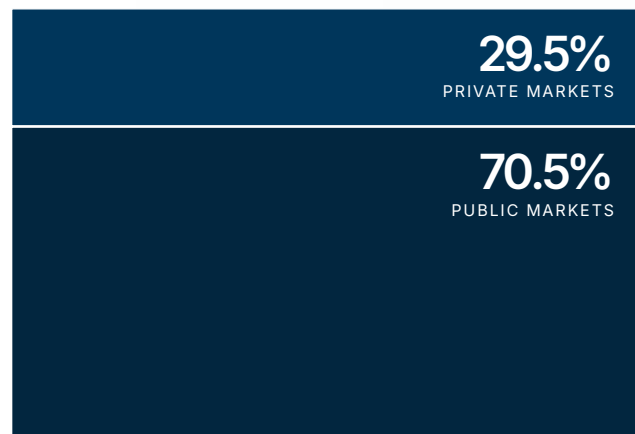
Those obligations require investments to earn a target actuarial rate of return over the long term: the average annual return clients need to stay on track with their funding goals. Over the past 20 years, BCI has exceeded the weighted-average long-term rate of return for the combined pension plan clients on each of the 1-, 5-, 10-, and 20-year reporting periods, enabling clients to maintain strong funded positions and meet their commitments with confidence.

As pension plans mature, more retirees are collecting benefits than active members are contributing, making investment returns an increasingly important source of funding stability. On average, BCI's investment activities generate \$75 for every \$100 in retirement income a pension plan member receives.

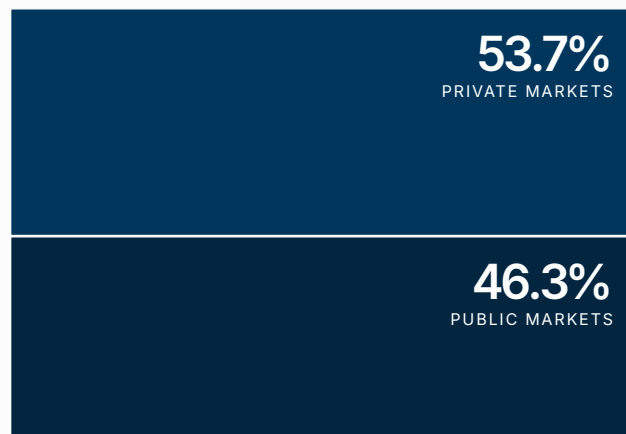
For BCI's clients, investment success means generating reliable returns while protecting against risks. Clients' portfolios have performed well, putting them in a position to reduce risk by forgoing some upside potential in exchange for greater downside protection. BCI's investment approach is built around this balance: disciplined asset allocation, global diversification, and rigorous risk management that keeps portfolios resilient across a range of market conditions. With restrictive trade policies and the Middle East conflict leading to stagflation risk — a mix of slower growth and rising prices — clients are adapting their portfolios to improve protection against a longer period of higher average inflation.

BCI supports this evolution while maintaining a disciplined focus on near-term market readiness. Amid heightened geopolitical uncertainty and market volatility, the ability to monitor and capture opportunities when market dislocations occur becomes essential to preserving liquidity and maintaining our capacity to deploy capital selectively. These priorities are embedded in portfolio management, ensuring volatility is navigated without compromising long-term objectives and positioning investment teams to act quickly when opportunities arise.

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



2016



2026

Investment Funds

BCI provides a variety of investment options classified by asset class, strategy, and geography. Clients primarily invest in BCI's pooled funds aligned with their investment objectives, a structure that offers diversification, scale, and cost efficiency. BCI assesses fund performance and market developments, adjusting its offerings as needed to ensure they continue to meet clients' evolving needs.

In fiscal 2026, BCI established the Investment Grade Private Credit Fund (IPF) in response to client demand for greater portfolio diversification and resilience. The fund offers access to private credit, loans made directly to borrowers outside of traditional public markets, typically generating higher income than conventional bonds while maintaining strong credit standards. The fund will launch formally in fiscal 2027.

Benchmark and Performance Objectives

The Benchmark Governance Policy contains BCI's benchmarking principles and is supported by accompanying directives, guidelines, and procedures which cover the selection, monitoring, and evaluation of benchmarks and performance objectives, as well as the broader benchmarking framework and specific considerations for private markets. Benchmarking private market investments against public markets has long been a challenge, and two significant market developments in recent years have brought that challenge to the forefront.

The first relates to public equity markets. Over the last three years, continued investor confidence and enthusiasm for artificial intelligence-related investments have concentrated returns in a small number of large-cap technology companies, driving public equity indices such as the MSCI All Country World Index and S&P 500 to all-time highs. In addition, with upcoming mega-cap initial public offerings from large private AI firms, and increased earnings expectations, these indices may continue to rally even further. While this benefits clients' overall portfolio growth and funded status, it poses a challenge for private market investments benchmarked to these indices. The outsized returns driven by a handful of technology stocks are not an appropriate comparison to the diversified, operationally focused businesses that make up a typical private equity portfolio, making it harder to assess whether the program is creating genuine value.

The second relates to real estate markets. Following the low-interest-rate environment of the COVID-19 era, central banks implemented some of the most rapid and significant interest rate increases in decades.

This created capital structure dislocations across real estate markets where debt financing costs rose sharply, property valuations declined, and in many cases, debt began yielding more than equity, inverting the return relationship that had defined the real estate market for years. This environment placed significant pressure on cost-of-capital benchmarks, as the long-term assumptions embedded in them no longer reflected market reality.

In fiscal 2026, to address the ongoing benchmarking challenges impacting private markets, the BCI Board drew upon the existing benchmark governance framework and transitioned to a more adaptable and robust approach to measuring the success of private markets, referred to as Measures of Success (MoS).

As part of BCI's annual benchmark review, coupled with the launch of MoS for Real Estate Equity, the BCI Board approved two updates. For Private Equity, the benchmark was transitioned to an index with reduced concentration risk, providing a more balanced profile for evaluating the program's long-term performance. For Real Estate Equity, a new custom benchmark based on institutional private market data was added alongside the existing long-term cost-of-capital benchmark. Together, the two benchmarks better reflect historical and current market conditions, giving clients a clearer picture of how the portfolio is performing.

As markets evolve, BCI will continue applying this disciplined, governance-led approach to ensure clients have a better picture of private market performance.

A complete listing of approved benchmarks is available in the Appendices.

Analysis of Combined Pension Plan Returns

The portfolio performance is based on BCI's six largest pension plan clients by AUM, referred to as the combined pension plan clients: 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, 2026, and reported returns reflect various periods ending on March 31. Due to valuation lags, private market assets are fully valued as of December 31, 2025, and the internal rates of return for these asset classes reflect the calendar year.

COMBINED PENSION PLAN CLIENTS' PERFORMANCE (%)

	1 Year	5 Years	10 Years	15 Years	20 Years	25 Years
Portfolio	6.7	7.0	8.1	8.3	7.3	7.4
<i>Benchmark</i>	<i>7.6</i>	<i>6.2</i>	<i>7.3</i>	<i>7.3</i>	<i>6.6</i>	<i>6.7</i>
<i>Actuarial Required Rate of Return</i>	<i>6.0</i>	<i>6.0</i>	<i>6.1</i>	<i>6.2</i>	<i>6.4</i>	<i>6.5</i>

CUMULATIVE VALUE ADDED BY BCI (\$ BILLIONS)

	1 Year	5 Years	10 Years	15 Years	20 Years	25 Years
Portfolio	(1.7)	6.6	11.5	17.7	17.6	18.4

One Year Return

The portfolio had an annual return of 6.7%. All asset classes generated positive returns except for real estate equity. The real estate market continued to struggle due to a convergence of factors, including elevated interest rates, falling asset values, slower net operating income growth, and tariff-driven cost uncertainty. Public equities, private equity, and I&RR were the largest contributors to performance.

Long-Term Returns

Our clients have long-term obligations, and multi-year results are the best measure of performance. Over the five-year period, BCI generated an annualized return of 7.0%, with significant gains from Public Equities, Private Equity, and Infrastructure & Renewable Resources programs. Public markets remain the largest contributors to performance.

Over the 10-year period, BCI generated an annualized return of 8.1% and over the 20-year period, an annualized return of 7.3%. All asset classes have generated positive returns over the long term.

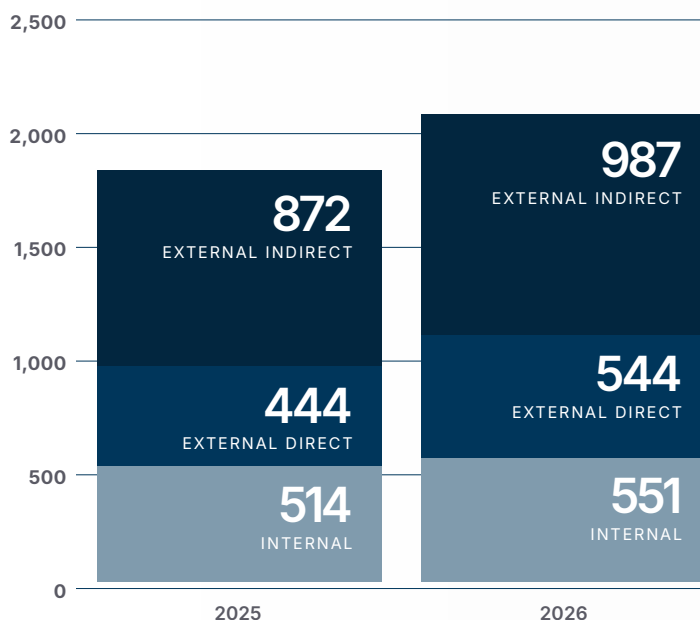
Cost Management

As a cost-recovery organization under the *Public Sector Pension Plans Act*, BCI charges clients only what it costs to manage their assets with no profit margin. This commitment to transparency and value is fundamental to how BCI operates in its clients' best interests.

Costs are driven by the size and composition of assets under management, with private market assets carrying higher management costs. As clients have shifted allocations toward more private assets to achieve their long-term return objectives, total costs have grown accordingly. To create cost efficiencies, BCI continues to internalize management of these assets where appropriate. This fiscal year, total costs were \$2.1 billion or 80.2 cents per \$100 of assets under management (2024–2025: \$1.8 billion or 76.1 cents per \$100), comprising internal, external direct, and external indirect costs, all netted against investment returns.

According to the most recent CEM Benchmarking Inc. survey, **BCI generated higher net returns at a lower cost than the median of its Canadian pension peers over the last five years.¹**

BCI TOTAL COSTS (\$ MILLIONS)



BCI COST MANAGEMENT FRAMEWORK

Type	Internal	External Direct	External Indirect
Definition	Operating costs over which BCI has direct control.	Investment management costs, including performance fees, where BCI retains discretion over the decision to buy or sell assets.	Investment management costs, including performance fees where BCI has delegated to a third-party manager the discretion to buy or sell assets.
Provides	Compensation, rent, technology, and project funding.	Asset management fees and performance fees to third-party managers, custodial fees, audit fees, legal costs, pursuit costs, and other transaction costs.	Asset management fees and performance fees to third-party managers.
Purpose	Attract and retain high-performing professionals across BCI's global locations to deliver strong results for clients. Provide the facilities, tools, and systems that enable BCI to operate effectively and at scale.	Engage external managers who bring specialized skills and capabilities that complement BCI's internal expertise. Support the execution of investment transactions and fund administration activities efficiently and effectively.	Engage external managers who bring specialized skills and capabilities that complement BCI's internal expertise. Align the interests of BCI and its external managers through performance-based compensation structures.
Costs on Total BCI Net AUM	26.5% of total costs or 21.2 cents per \$100 of assets managed.	26.1% of total costs or 20.9 cents per \$100 of assets managed.	47.4% of total costs or 38.0 cents per \$100 of assets managed.
Analysis	Internal Costs were \$551 million in 2025-2026 compared to \$514 million in 2024-2025. The year-over-year decrease of 0.2 cents per \$100 of assets managed reflects scale efficiencies as BCI's global footprint and operating capabilities mature, including the completion of one-time strategic projects supporting our clients' increased target allocations to private markets.	External Direct Costs were \$544 million in 2025-2026 compared to \$444 million in 2024-2025. The year-over-year increase of 2.5 cents per \$100 of assets managed reflects higher external manager fees driven by strong asset performance and AUM growth, both signals of value delivered to clients.	External Indirect Costs were \$987 million in 2025-2026 compared to \$872 million in 2024-2025. The year-over-year increase of 1.7 cents per \$100 of assets managed reflects higher private markets management and performance fees scaling with AUM growth, providing clients access to specialized expertise through performance-aligned fee structures.

Fixed Income

Annualized Return (%) ¹	1 Year	5 Years	10 Years	15 Years	20 Years
Short Term Bonds	2.1	4.2	2.5	2.3	2.6
<i>Benchmark</i>	1.8	4.2	2.4	1.9	2.1
Nominal Bonds	1.4	0.8	2.2	3.2	3.8
<i>Benchmark</i>	1.2	0.5	1.7	2.9	3.5
Funding Program	3.4	3.2	-	-	-

Fiscal 2026 was a strong year for BCI's Fixed Income program, despite limited opportunities due to market conditions. All actively managed pooled funds delivered meaningful returns above the benchmark.

The Corporate Bond Fund led performance, exceeding its benchmark by 1%, a notable result in fixed income, where outperformance is typically measured in fractions of a percentage point.

Strong results and continued client deployments pushed the Corporate Bond Fund past \$20 billion in assets under management, up from \$18 billion last year. Government Bond Fund assets declined by \$4 billion as clients deliberately reallocated to the Short-Term Bond Fund to diversify exposure amid elevated inflation. The Short Term Bond Fund grew by \$6.4 billion to \$8.2 billion. BCI's actively managed

money market funds continued to serve client liquidity needs while delivering consistent excess returns. The Canadian Money Market Fund delivered 0.28% above benchmark, and the U.S. Dollar Money Market Fund delivered 0.30% above benchmark.

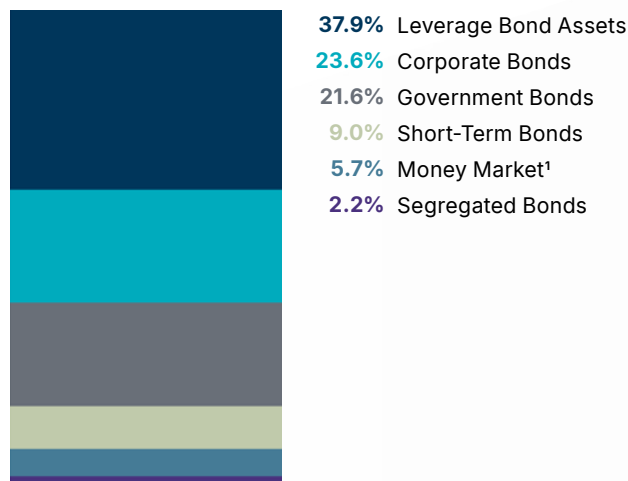
The year also marked the completion of a client's transition from segregated management into BCI's fixed income pooled fund portfolios, moving \$2.9 billion.

BCI's Fixed Income program also participated in two Indigenous bond transactions that supported First Nations ownership in energy infrastructure on their traditional territories and provided capital to Indigenous-owned businesses and communities across Canada. Both investments met BCI's financial objectives while advancing outcomes that matter to the communities BCI's clients serve — a reflection of BCI's belief that returns and meaningful outcomes can go hand in hand.

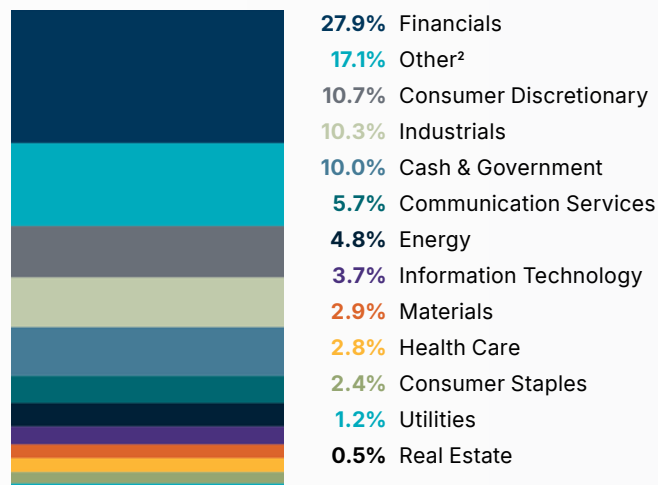
Investment Highlights

- **Completed three unsecured debt offerings through The Funding Program, including a \$2 billion five-year bond** that attracted \$5 billion in orders from over 70 high-quality global investors.
- **Served as anchor investor in North America's first Indigenous-labelled bond**, a landmark \$200 million offering, securing the largest single investor allocation in the deal at \$25 million.
- **Invested \$480 million in sustainable bond offerings**, bringing BCI's total historical sustainable bond participation to \$6.9 billion.
- **Participated as a lead investor in Stonlasec8's \$736 million inaugural bond issuance**, to support 38 First Nations in acquiring an ownership interest in a West Coast natural gas pipeline system.

FIXED INCOME PORTFOLIO NET ASSETS (%)



CORPORATE BOND PORTFOLIO NET ASSETS (%)



Fixed Income

1.0%

5-Year Annualized Return

Investment Focus

BCI's Funding Program: A Competitive Edge in Debt Markets

Fiscal 2026 was another year of growth for BCI's Funding Program, which reached \$30.3 billion in total liabilities. A highlight was a January 2026 unsecured debt offering — a \$2 billion five-year issue that attracted \$5 billion in orders, more than 2.5 times the size of the offering, from over 70 high-quality global investors.

A unique strength of the program is that BCI's Funding Desk operates within the Fixed Income Program, giving the team an investor's perspective on BCI's own debt issuance. This structure enables anticipation of market demand and provides a credibility advantage that meaningfully differentiates BCI's market presence.

This integrated model supported three successful debt offerings in fiscal 2026, bringing outstanding debt issuance to \$10.25 billion at fiscal year-end. The proceeds support portfolio diversification and liquidity across BCI's investment programs.

Public Equities

Annualized Returns (%) ¹	1 Year	5 Years	10 Years	15 Years	20 Years
Canadian Public Equity	22.9	12.8	11.3	8.4	7.8
<i>Benchmark</i>	34.8	15.2	12.6	8.9	8.2
Global Public Equity	16.0	12.7	13.2	13.2	9.4
<i>Benchmark</i>	14.8	12.5	12.7	12.8	9.3
Emerging Markets Public Equity	28.6	7.4	9.1	7.3	-
<i>Benchmark</i>	25.6	5.9	8.6	6.2	-

Global equity markets delivered strong absolute performance in fiscal 2026 alongside deep stock concentration at the top of major indices.

The top 10 holdings in the MSCI World ex-Canada index now represent approximately 26% of the index, creating a challenging environment for active managers focused on individual stock selection. The Canadian market told a similar story, with gold, materials, and financials driving outsized benchmark gains that our Canadian equity strategy, built for steady risk-adjusted returns rather than concentrated sector exposure, was not positioned to match. The ensuing one-year gap was significant enough to weigh down relative results for all time periods. Over the long term, strategies built on breadth and diversification are better positioned to deliver consistent, sustainable returns.

BCI's Public Equities program is built to navigate this environment. Within the Global Partnership Fund (GPF), absolute return strategies remain the largest driver of outperformance since their inception in November 2019.

The Global Quantitative Equity Fund also delivered strong results across the three- and five-year periods, benefiting from diverse approaches that are more competitive in a concentration-driven market.

Innovative approaches continue to shape how we source, evaluate, and monitor investments. AI tools are accelerating research, enhancing diligence, and improving insight generation. Language translation technology has expanded our research reach, particularly in Emerging Markets, and AI-powered transcript analysis has been brought in-house. Within the GPF, each absolute return strategy investment is monitored for AI risks or opportunities, and all new absolute return investment proposals include an AI-impact assessment as part of the due diligence process. No material AI-related impacts have been identified in the GPF to date.

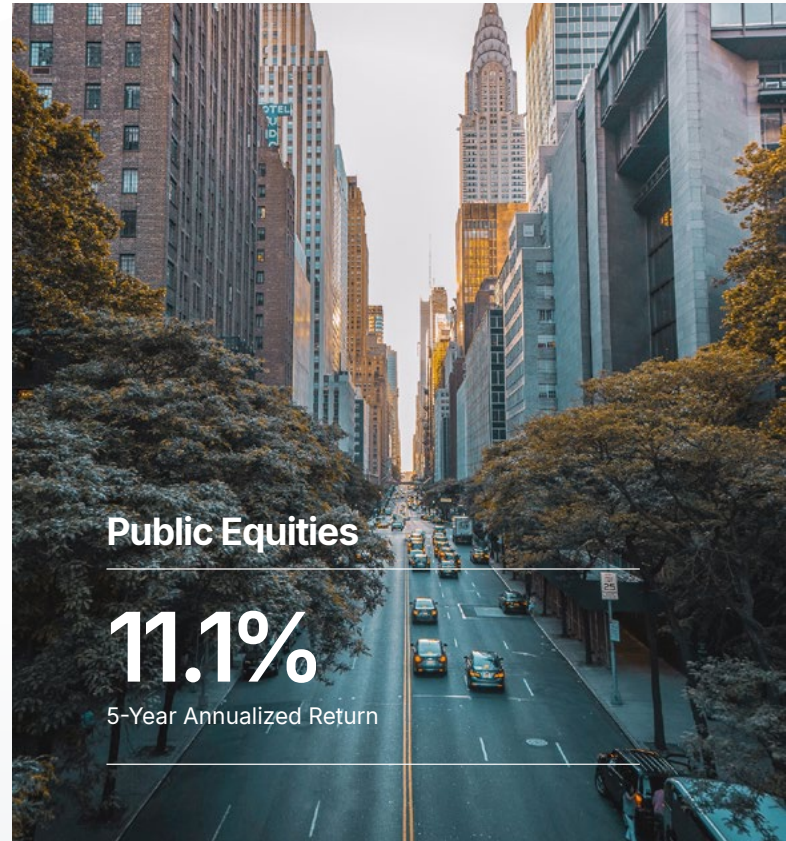
Investment Highlights

- **Delivered strong absolute performance in all internal funds achieving double-digit returns.**
- **Committed \$6.4 billion in gross capital to absolute return strategy investments in the GPF**, deploying \$4.9 billion across co-investments and fund investments.
- **Introduced an AI-powered ESG monitoring tool**, developed in collaboration with BCI's ESG team, to alert portfolio managers to changes in the ESG profile of individual companies and portfolios.
- **Committed US\$275 million to a new GPF absolute return strategy partnership** to access structured, downside-protected returns in regulated financial services institutions and asset platforms.

GLOBAL DISTRIBUTION OF PUBLIC EQUITIES PROGRAM (%)



55.0% U.S.
15.4% Emerging Markets
12.7% Canada
11.8% Europe
5.0% Asia

*Investment Focus*

Beyond the Index: Accessing Uncorrelated Returns Through Music Royalties

The GPF is designed to invest in opportunities that go beyond what is available through traditional stock selection, a highly competitive market sector, and seeks out differentiated return sources with low correlation to public equity markets. One such category is music royalties.

Music royalties generate income when music is used commercially, including across streaming platforms, in radio, film and television, advertising, and live performance. These payments, which flow to the rights holders of the underlying intellectual property, have low correlation to economic cycles. Royalty income is tied to consumption patterns rather than corporate earnings or market sentiment and tends to offer durable performance including throughout periods of market stress. During the COVID-19 pandemic, for example, while performance income declined as live events were cancelled, streaming revenue increased, demonstrating the diversification within the asset class itself.

BCI has partnered with an external manager that focuses on acquiring legendary artist catalogues with decades of proven, stable cash flows. This manager enhances value through strategic marketing, brand partnerships, and new opportunities to license music for use in areas like film, television, and advertising. Based on the conviction in the manager and the asset class, the GPF has received investment approval to commit up to US\$400 million across the manager's fund and associated co-investment vehicles.

This strategy, made possible because of BCI's scale and relationships, offers clients access to predictable, income-generating assets.

Private Debt

Annualized Returns (%)	1 Year	5 Years	10 Years	15 Years	20 Years
Private Debt Program ¹	6.1	8.1	-	-	-
Benchmark	4.1	5.0	-	-	-

The Principal Credit Fund (PCF) delivered results through disciplined credit selection and a low-cost operating structure.

The portfolio's focus on cash-flow-based lending kept software sector exposure low, supporting returns. This was partly offset by some U.S.-based external managers, where borrowers faced credit pressures. The year saw strong deployment activity in PCF with net new deployments totalling \$2.7 billion.

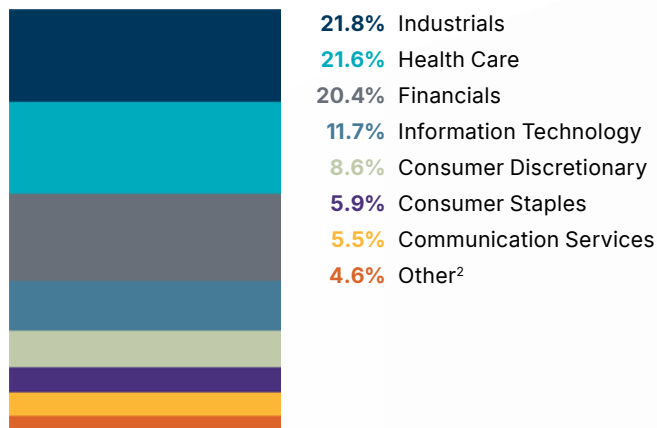
As competitive market conditions in North American direct lending intensified, PCF continued to expand into Europe and Asia-Pacific, including India and Australia, adding two new regional commitments, where risk-adjusted returns were more attractive. European exposure increased to 28.5% from 25.4%

of net assets year-over-year. Asia-Pacific increased to 3.6% from 2.6%, reflecting US\$450 million committed. PCF also deepened its asset-backed financing activity with US\$1 billion committed, bringing asset-backed holdings to 3.8% of the portfolio. These additions increase the fund's diversification and provide alternative deployment options to the highly competitive U.S. sponsor-backed lending market.

The depth of the program across direct lending, asset-backed strategies, and geographic diversification has created the foundation for its next significant development. In fiscal 2027, BCI will launch an investment-grade private credit strategy and establish a dedicated team to support it.

Investment Highlights

- **Invested \$2.7 billion in net deployments in PCF.**
- **Seeded \$1.8 billion to a new investment-grade private credit strategy.**
- **Accelerated asset-backed lending across the PCF and laid the foundation for the new investment-grade strategy,** broadening the program's exposure to tangible-asset-secured opportunities.
- **Announced plans to expand the team into the London office,** deepening BCI's European presence and strengthening the team's ability to originate and execute deals across the region.

PRIVATE DEBT PORTFOLIO NET ASSETS (%)¹*Investment Focus*

A New Frontier: BCI Enters the Investment-Grade Private Credit Market

Investment-grade private credit is one of the largest pools of fixed income capital globally, yet relatively few institutional investors have meaningfully moved into it. Compared to sub-investment-grade lending, it offers higher-quality borrowers, longer loan terms, and better returns than publicly traded bonds with similar credit ratings.

For BCI's clients, this matters. Many manage liabilities that span decades and require investments that generate steady, long-term returns, which public markets often cannot provide. Investment-grade private credit offers that stability, along with added protections such as custom loan terms, direct relationships with borrowers, and built-in safeguards. This makes it a strong complement to existing fixed income and private credit holdings.

BCI's deployment strategy for the new Investment-Grade Private Credit Fund mirrors the approach that shaped PCF, with a deliberate distinction: building relationships through co-investments first, establishing conviction in our partners before making a formal allocation. BCI has committed close to \$2 billion in direct co-investments to anchor the new strategy with the Fund launching next fiscal.

BCI's scale and agility provide a competitive advantage in this market. BCI's ability to understand complexity and respond quickly allows us to participate in higher yielding co-investments.

This initiative reflects both the innovation and expertise that shape BCI. It expands what the program can offer clients, opens access to a substantially larger opportunity set, and marks a meaningful evolution in how BCI competes in private credit globally.

Infrastructure & Renewable Resources

Annualized Returns (%)	1 Year	5 Years	10 Years	15 Years	20 Years
Infrastructure & Renewable Resources Program ¹	7.6	8.8	8.8	9.4	9.5
Benchmark	6.5	6.4	6.7	7.1	7.3

BCI Infrastructure & Renewable Resources (I&RR) delivered a strong year, advancing our strategy to build a resilient, globally diversified portfolio.

In a market characterized by geopolitical tensions, supply chain realignment, and rising demand for digital and energy infrastructure, the team focused on disciplined capital deployment, active asset management, and enhancing our capabilities across regions and sectors.

New capital commitments totalled \$4.7 billion, primarily in direct investments. Strong program capital distributions to clients continue to reflect the solid income generating nature of our portfolio. During the year, full realizations of our investments in Patrick Terminals and Fraport were accomplished, with very positive outcomes. The team also completed the merger of portfolio company Viterra

with Bunge, creating one of the world's largest publicly-listed agricultural logistics companies. Portfolio diversification was enhanced through our Infrastructure Debt and Listed Infrastructure activities, with the team closing six transactions totalling nearly \$700 million in these strategies.

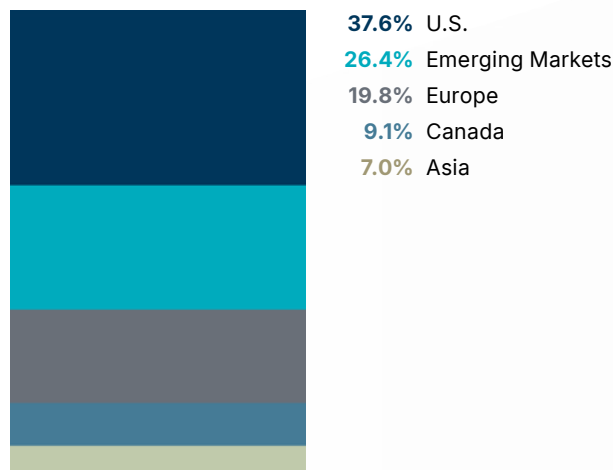
ESG integration remains central to our program management. We completed a fulsome review of our Anti-Bribery & Anti-Corruption activities and a Physical Climate Risk Portfolio Assessment, now embedded in our due diligence and asset management practices. Our carbon footprint has decreased 65% since 2020, reflecting our work with portfolio company management teams to identify and drive decarbonization opportunities.

Innovation continued to shape program operations, with AI formalized across financial modelling, due diligence, and portfolio analytics, strengthening our ability to deliver sustainable, long term value for our clients.

Investment Highlights

- **Significant new investment of \$4.7 billion, of which 94% was invested directly in companies and assets, rather than through external managers.**
- **\$3.1 billion in distributions, reflecting strong income from utilities and transport and attractive gains on two full exits.**
- **Completed a direct investment in [Frontier Towers](#), a leading digital infrastructure platform, and our first in the Philippines.**
- **Co-founded [Northview Energy](#), a growth platform of 22 operating renewable power generation assets within North America.**

GLOBAL DISTRIBUTION OF INFRASTRUCTURE & RENEWABLE RESOURCES PROGRAM (%)



Investment Focus

Going Private: BBGI Global Infrastructure

The acquisition of 100% of BBGI Global Infrastructure in June 2025 marked a major milestone for BCI and the Infrastructure Group. The \$1.9 billion take private of BBGI established the firm's first global P3 platform, building on more than two decades of experience in public private partnerships and expanding our ability to deploy capital into high quality, long duration infrastructure.

BBGI owns 58 operational P3 assets across seven countries, spanning transportation, healthcare, education, and social infrastructure. The platform provides stable, inflation linked cash flows and immediate global scale, aligning with our strategy to build a resilient portfolio capable of performing across

market cycles. Since closing, our team has worked closely with the BBGI management group to put into place the foundations for future growth. The company continues to perform well versus expectations and has expanded its portfolio, completing two new P3 acquisitions in early 2026. BBGI's integration demonstrates our ability to generate proprietary investment ideas, execute large scale transactions in-house, and actively manage assets to unlock long term value for our clients.

The transaction also positions BCI well to pursue additional opportunities in the global P3 market, where demand for new, privately financed infrastructure continues to grow.

Infrastructure &
Renewable Resources

8.8%

5-Year Annualized Return

Private Equity

Annualized Returns (%)	1 Year	5 Years	10 Years	15 Years	20 Years
Private Equity Program ¹	8.1	12.1	14.5	15.5	13.7
Benchmark	11.9	11.2	11.3	12.6	12.6

2025 was the third year of a private equity market reshaped by higher rates, slower exits, and constrained distributions.

BCI Private Equity continued to advance its direct investment-focused approach through this period, working with a more selective group of general partners (GP), actively managing its existing portfolio to allocate capital to its highest-conviction positions, and broadening the types of investments it makes.

The program delivered a strong year of distributions, anchored by secondary sales that generated liquidity from legacy positions and freed capital for redeployment into higher conviction opportunities. New direct investments in [BroadStreet Partners](#) and [Pave America](#) extended the program's footprint in financial services and industrials, two sectors where BCI has built deep capability. The team also continued to scale its use of

flexible capital solutions, including structured equity and continuation vehicles (CV). At the same time, BCI's Venture & Growth program crossed a significant AUM milestone and delivered strong returns, reflecting its growing maturity as a top-performing strategy within the broader portfolio. The program has built positions across AI infrastructure, cybersecurity, and quantum computing alongside some of the most established venture and growth firms in the market. Photonic Inc. is among the direct investments that illustrate the compounding value of early-stage conviction and patient capital.

In February 2026, the program appointed Jon Salon as Executive Vice President and Global Head, Private Equity. Jon brings more than 30 years of experience to lead the next phase of BCI Private Equity, building on a high-quality global platform, trusted partnerships, and a deeply talented team.

Investment Highlights

- **Delivered \$7.0 billion in distributions**, including **\$1.9 billion** from secondary sales.
- **Invested \$3.1 billion across 23 direct investments**, including **6 follow-on investments**.
- **Committed \$3.6 billion to fund investments**, deepening relationships with the program's highest-conviction partners.
- **Increased direct investment allocation to 49% of net asset value**, up from 44% last year.

GLOBAL DISTRIBUTION OF PRIVATE EQUITY PROGRAM (%)



55.9% U.S.
29.2% Europe
9.5% Emerging Markets
4.1% Asia¹
1.3% Canada

Investment Focus

Built for Flexibility: Expanding Capital Solutions

In a market where deals carry more risk and exits are slower to materialize, BCI Private Equity has increased its investment activity in flexible capital solutions. These include structured equity, where BCI negotiates custom deal terms in direct investments to limit downside risk while preserving upside potential, as well as GP-led CV, which give BCI continued access to high-conviction assets held in maturing funds.

In 2025, BCI Private Equity completed four CV investments and two structured equity direct investments, totalling approximately \$1 billion. A recent example was BCI's participation in a continuation vehicle for [Identity Digital](#), supporting the company's next phase of growth.

Scaling investments in these types of flexible capital solutions provides BCI with greater capacity to deploy capital across market cycles and access higher conviction opportunities that fall outside traditional buyouts. This builds on the program's core model of growing direct investments alongside strong GP relationships, consistent with the mandate to generate long-term sustainable value for clients.

Private Equity

12.1%

5-Year Annualized Return

Real Estate Equity

Annualized Returns (%)	1 Year	5 Years	10 Years	15 Years	20 Years
Real Estate Equity Program¹	(4.9)	1.3	-	-	-
<i>Market Benchmark</i>	<i>(1.3)</i>	<i>(0.3)</i>	-	-	-
<i>Long-Term Benchmark</i>	<i>6.8</i>	<i>6.8</i>	-	-	-

Real estate equity markets faced ongoing challenges in 2025. Higher interest rates continued to place downward pressure on property values.

While many buildings remained well-occupied and generating steady income, valuation declines offset these gains, and transaction activity remained subdued. In response, QuadReal focused on acquiring income-producing properties, with approvals totalling \$5.9 billion in gross commitments and \$3.4 billion in equity commitments. Across the portfolio, 59% of commitments were concentrated in alternatives, primarily self-storage and student housing, alongside residential and industrial sectors.

Internationally, the program expanded across the U.K., Ireland, Australia, and the United States. In the U.S., QuadReal brought in an equity partner for a portfolio of 11 industrial assets across five states, in a transaction

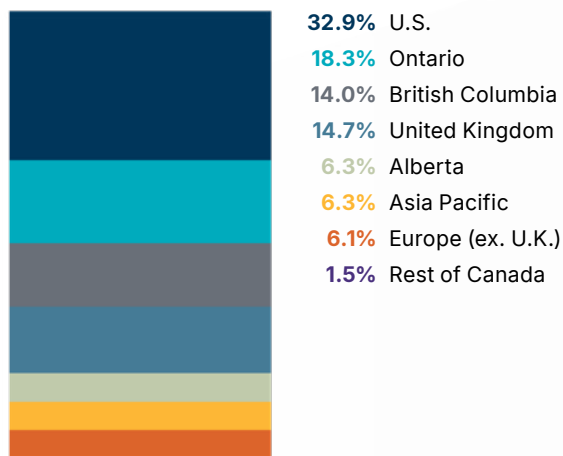
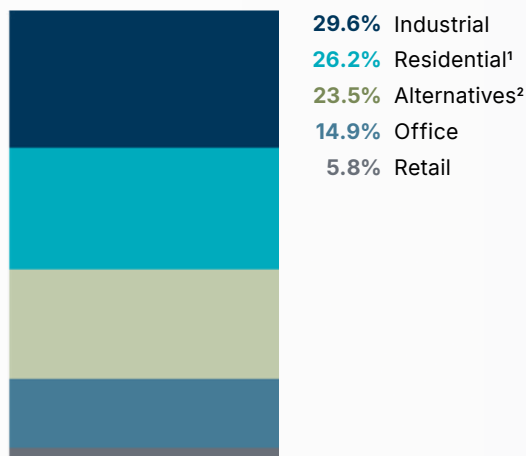
valued at US\$495 million, while maintaining direct ownership and operational control in a core conviction sector. The acquisition of Realstar's U.K. and Ireland residential operating platform encompassed 6,000 units and expanded QuadReal's European build-to-rent and student housing presence.

Domestically, the program grew its self-storage platform through a Canadian acquisition, bringing the global self-storage portfolio to 57 assets and over 50,000 units. The program also sold The Post, a landmark mixed-use property in downtown Vancouver, at a premium to book value, reflecting continued demand for core Canadian assets.

Sustainability performance remained strong. For the sixth consecutive year, QuadReal's diversified Canadian portfolio outperformed GRESB benchmarks, ranking 4th out of 17 in the Core Canadian peer group and 8th out of 109 in the Diversified, Americas category.

Investment Highlights

- **Acquired Maple Leaf Self Storage**, adding 15 assets and over 17,000 units across Vancouver and Calgary, marking QuadReal's first direct investment in Canadian self-storage.
- **Acquired a U.K. purpose-built student accommodation portfolio** of eight assets and 3,460 beds, with 75% of assets located near Russell Group universities.
- **Formed a new Australian logistics joint venture**, seeded with approximately \$460 million in high-quality, stabilized logistics assets.
- **Achieved Gold-tier status** in Canada's Net-Zero Challenge, placing QuadReal in the top 13% of participants, reinforcing the program's commitment to decarbonization.

GLOBAL DISTRIBUTION OF REAL ESTATE EQUITY
PROGRAM (%)REAL ESTATE EQUITY HOLDINGS BY
PROPERTY TYPE (%)

Investment Focus

Scaling Building
Automation: Across
the Residential Portfolio

Delivering on a long-term sustainability strategy requires the right tools. In 2025, QuadReal accelerated its rollout of Building Automation Systems across its domestic residential portfolio, enabling smart controls that centrally monitor and dynamically manage heating, cooling, lighting, and hot water systems in real time.

By the end of 2025, 23 systems had been deployed across the residential portfolio, with 11 more expected in 2026. These systems typically deliver energy reductions of 10 to 20%.

The initiative reflects QuadReal's disciplined investment approach: deploy where the fundamentals are strongest. Embedding smart controls across the portfolio generates operational data that supports better decision-making, more targeted investment in energy efficiency, and continued progress toward QuadReal's decarbonization goals.

For BCI's clients, buildings that operate more efficiently carry lower carbon risk, stronger tenant appeal, and greater long-term asset quality.

Real Estate Equity

1.3%

5-Year Annualized Return

By investing in the infrastructure of its own portfolio, QuadReal is demonstrating how innovation in building technology can both enhance asset performance and drive meaningful environmental impact, positioning its assets to remain competitive well into the future.

As QuadReal marks its 10th anniversary, initiatives like this reflect what a decade of growth, disciplined investment, and active asset management can achieve. This philosophy will continue to guide the program's approach to every acquisition, operating decision, and long-term commitment across the portfolio.

Real Estate Debt

Annualized Returns (%)	1 Year	5 Years	10 Years	15 Years	20 Years
Real Estate Debt Program¹	5.3	5.2	-	-	-
<i>Benchmark</i>	5.2	4.2	-	-	-

In 2025, the real estate debt program achieved its highest transaction volume to date, deploying \$4.0 billion and completing 56 deals totalling \$4.8 billion, with 95% concentrated in conviction sectors across Canada, the U.S., and, for the first time, the U.K.

This reflects the program's continued focus on residential, industrial, and alternatives—sectors where QuadReal has strong conviction and where structural demand supports consistent, long-term returns.

Notable transactions in the year included a \$222 million construction loan through a joint venture to finance a 461-unit student housing development in Bloomington, Indiana, and a \$165 million refinancing secured by a seven-property self-storage portfolio in the Greater Toronto Area. Both transactions reflect a focus on sectors with strong underlying fundamentals and limited new supply.

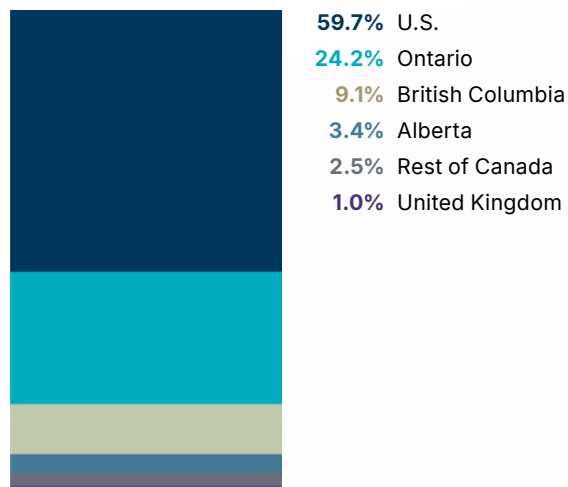
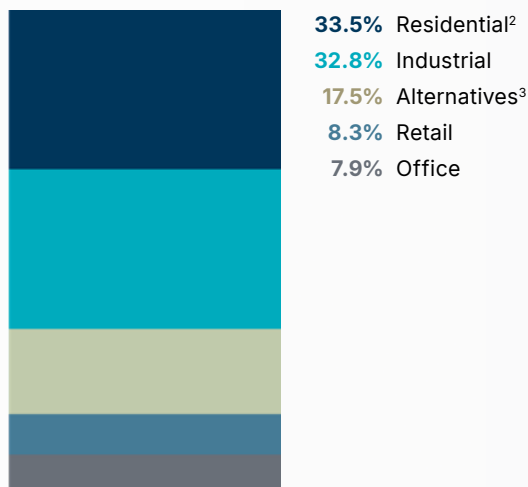
Direct loan investments grew to 94% of the program, up from 85% five years ago, as the team continued shifting toward active, direct lending. Loan repayments totalled \$3.6 billion, exceeding expectations, with credit quality remaining high. A major residential construction loan, financed in 2018, was substantially repaid through condo sale proceeds in 2025, with the remaining balance repaid in early 2026.

QuadReal continues to screen all debt investments for climate resilience, conducting property-level risk assessments that include screening for flood, storm, and wildfire exposure as an integrated step in the investment process.

In QuadReal's 10th anniversary year, the growth and performance of the real estate debt program reflect disciplined underwriting and active management that have delivered consistent, risk-adjusted returns across changing market cycles.

Investment Highlights

- **Achieved record transaction volume**, completing 56 deals totalling \$4.8 billion in 2025 — the program's highest annual volume to date.
- **Established a joint venture with another major Canadian pension plan**, targeting U.S. real estate debt opportunities across multifamily, self-storage, and student housing, with the partnership capitalized at US\$3.0 billion.
- **Expanded into the European market**, closing the program's first U.K. loans and completing three investments totalling \$207 million, supported by a dedicated team in QuadReal's London office.
- **Invested \$396 million in student housing** within the alternatives sector, providing diversification across the portfolio.

GLOBAL DISTRIBUTION OF REAL ESTATE DEBT
PROGRAM (%)REAL ESTATE DEBT HOLDINGS BY
PROPERTY TYPE (%)¹

Investment Focus

Data and Technology:
Building the Foundation

In 2025, the real estate debt program continued to enhance its operational and data analytics infrastructure. The program migrated to an enterprise financial planning and analytics platform, replacing Excel-based models with a centralized environment that supports real-time collaboration, scenario analysis, and scalable reporting. The team has partnered with IT on the build-out of the enterprise data platform for the debt business — establishing automated data pipelines, applying data governance standards, and progressing toward a single source of truth for debt portfolio information. These investments are reducing manual bottlenecks and fragmented data that can limit speed and precision in a growing, diverse portfolio.

With a stronger data foundation in place, the program is well positioned to adopt new technologies and analytical capabilities as they emerge.

The result is a program equipped with better systems and data, and a team culture that continuously evolves to deliver long-term value to BCI's clients.

Real Estate Debt

5.2%

5-Year Annualized Return

Environmental, Social, Governance



BCI's ESG approach is guided by its [ESG Governance Policy](#) and corporate-wide [ESG Strategy](#), grounded in the conviction that companies that manage material environmental, social, and governance risks are better positioned to deliver sustainable long-term returns.

This shapes how we integrate ESG across our portfolio, engage with companies, and advocate for conditions that support sound, long-term investment decision-making.

In fiscal 2026, BCI published its second annual [Stewardship Report](#) and updated its corporate ESG engagement priorities, focusing on areas where we can drive the most meaningful change: Climate Change – Physical and Transition Risk; Responsible Artificial Intelligence; and Human Capital Management.

During the fiscal year, **BCI contributed to the development of global policy and governance standards by:**

- Advancing global adoption of ISSB reporting standards, contributing to their incorporation across almost 40 jurisdictions covering 60% of global market capitalization.
- Co-hosting a roundtable with eight Canadian energy companies to advance methane emissions transparency along the LNG supply chain.
- Advocating for climate disclosure standards globally through policy submissions related to IFRS S2 Scope 3 amendments, the U.S. EPA Greenhouse Gas Reporting Program, and Canada's Bill C-59.
- Publishing best practices guidance for hybrid annual general meetings (AGMs), establishing expectations for equal shareholder participation globally.

BCI's ESG leadership continues to earn external recognition, including:

- Won the [International Corporate Governance Network \(ICGN\) Global Stewardship Disclosure Award](#) in the Asset Owner category.
- On the Responsible Investing component of the [Global Pension Transparency Benchmark](#), BCI achieved 98 out of 100, ranking fourth among 75 global pension funds assessed. BCI's overall score of 93 out of 100 ranked third in Canada and tied for fourth globally.



ESG Focus

New Evidence for ESG Value Creation

BCI's commitment to ESG as a driver of financial value extended beyond stewardship this fiscal year. In January 2026, BCI demonstrated through original research that ESG integration drives measurable financial outcomes.

Drawing on case studies from BCI Private Equity's global portfolio and co-authored with Stanford University, the research provides evidence-based pathways for integrating ESG into core value-creation strategies — with financial returns linked explicitly to that integration.

ESG Integration

BCI integrates ESG considerations across all asset classes, embedding dedicated ESG experts alongside investment teams, to ensure consistency and collaboration at each stage of the investment decision-making process. In fiscal 2026, BCI conducted 249 ESG assessments for public and private companies and evaluated the ESG practices of 49 external partners.

Stewardship

BCI manages assets across more than 3,000 companies globally. We exercise stewardship through proxy voting, direct and collaborative engagement, and policy advocacy.

During 2025¹, BCI directly engaged 181 companies across public and private markets and participated in 10 collaborative initiatives targeting key ESG issues. We also engaged with 26 external partners to improve ESG practices and performance. We contributed to 16 ESG-related policy consultations, roundtables, and joint statements on climate change, sustainability disclosure, and corporate governance globally.

In 2025, BCI voted on 33,478 agenda items at 2,882 meetings in 54 countries. We voted against management in 20% of cases and voted against or withheld our vote from 29% of director nominees. We evaluated 1,199 shareholder proposals, supporting 45%. BCI's complete proxy voting record is available at [BCI.ca/proxy-voting](https://www.bci.ca/proxy-voting).

ESG Focus

Sustainable Bonds: Evolving our approach

BCI continues to seek opportunities to invest in **sustainable bonds**. In fiscal 2026, BCI participated in 16 offerings, representing \$480 million in new investment and bringing cumulative historical participation to \$6.9 billion from 75 unique issuers.

In line with market practice, BCI evolved its sustainable bonds definition and methodology, to better track and report on the full range of investments with sustainability attributes. The program now encompasses two categories:

- **Labelled bonds:** use-of-proceeds bonds designated green, social, or sustainability under a sustainable finance framework. This has been BCI's historical approach.
- **Unlabelled bonds:** bonds from issuers whose revenues are primarily aligned with the UN Sustainable Development Goals (SDG), as classified by Net Purpose¹ and bonds from issuers or issuances with distinctive sustainability attributes.



Representative issuances this fiscal year include:

- **Toyota Motor Corporation:** sustainability bond supporting assisted mobility and zero emission vehicles and renewable energy expenditures.
- **First Nations Finance Authority (FNFA):** Recognized as an issuer with distinctive sustainability attributes, providing First Nations governments with access to long-term capital. BCI has now participated in 13 sustainable FNFA transactions.
- **Hydro-Québec:** Classified as SDG-aligned under the expanded methodology; nearly all of its electricity generation is carbon-free and from renewable sources.

BCI is committed to supporting the global goal of net zero by 2050

Compared to fiscal 2020, BCI's total portfolio carbon footprint has decreased by 63%. For detailed carbon footprint data across all asset classes, refer to BCI's Annual Climate Disclosures on pages 54-65.

Effective stewardship requires knowing where your efforts will have the greatest impact. BCI identifies carbon-intensive investments by ranking portfolio companies based on their financed emissions.

In fiscal 2026, we refined that approach by formalizing the list at the top 75 financed emitters and introducing a minimum exposure threshold, ensuring BCI's engagement is directed where its financial holdings and emissions profile are greatest. We also reviewed and updated our maturity assessment scale from three tiers to four. The new "Aligning" category captures meaningful advances companies are making toward credible net-zero strategies.

Maturity Tier	Description	% of Number of Companies - Top 75 (Dec 31, 2025)
Mature	Company has a net-zero commitment, short- and long-term targets in place, and a credible strategy to achieve targets with evidence of implementation.	8
Aligning	Company has set emissions reduction targets, which may include a net-zero commitment, and has a climate strategy but the path to achieve targets is still in development.	28
Emerging	Company has set emission reduction targets but has limited details on climate strategy.	37
No Commitment	Company has not set a net-zero commitment or emission reduction targets.	27

BCI's climate engagement extends beyond this list. BCI engages across the investment ecosystem, including with financial institutions, and advances the policies needed to support a successful low-carbon transition.

BCI's [Climate Action Plan](#) commits to ensuring that, by 2030, at least 80% of our carbon-intensive investments have mature net-zero commitments or subject to climate engagement.

As at December 31, 2025, 59% of top-financed emitters were mature or subject to engagement, establishing our current position for tracking progress toward this commitment.

For detailed climate-related disclosures, refer to pages 54-65.

ESG Focus

Investing in North America's energy transition

BCI's investment teams continue to identify opportunities in sectors and companies positioned to benefit from the transition to a low-carbon economy. As at fiscal year-end, BCI's total exposure to climate-related opportunities reached \$12.3 billion.

In fiscal 2026, BCI's Infrastructure group co-founded [Northview Energy](#), a new North American renewable energy platform to be owned equally by BCI, Brookfield, and Norges Bank Investment Management.

Northview's initial portfolio will consist of 22 operating solar and wind assets across six U.S. power markets, with total capacity of 2.3 GW. All assets operate under long-term power purchase agreements. Northview has also entered into a Framework Agreement for future acquisitions of up to US\$1.5 billion in equity capital, with a focus on onshore wind, utility-scale solar, and battery storage across North America.



Risk Management

As BCI's investment strategies grow in complexity and its global footprint expands, the risk-management structures that govern them must keep pace.

BCI's approach to risk management is designed to evolve by anticipating emerging risks, embracing new tools and capabilities, and ensuring that risk intelligence reaches decision-makers quickly and clearly. This future-ready approach is embedded across BCI's culture and operations, from strategic planning and investment decision-making through to day-to-day operational controls and activities across the organization.

BCI's Integrated Risk Governance Framework aligns risk responsibilities and governance through two streams: the Enterprise Risk Management Committee (ERMC) and the Investment Risk Committee (IRC). These committees support the CEO/CIO in managing all risks, recommend risk policies for approval, and approve other risk governance documentation. The Chief Operating Officer (COO), who chairs the ERMC, has delegated authority to manage non-investment risks. The CEO/CIO, who chairs the IRC, retains authority for 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. This framework strengthens the BCI Board's ability to oversee risk management.

Enterprise Risk Management

The Enterprise Risk Management (ERM) team guides BCI in identifying, assessing, and responding to risks across strategic, operational, and reputational dimensions. As BCI's global footprint and operating complexity continue to grow, the team has evolved from an oversight function to an active partner, working directly with business leaders to embed risk intelligence more deeply into BCI's operations and planning.

Central to this evolution is a focus on innovation, and in fiscal 2026, the team directed its efforts accordingly by building smarter tools to make risk information more accessible, developing forward-looking indicators to help leaders get ahead of emerging risks, and sharpening focus on the strategic risk areas most central to BCI's long-term success.

Key initiatives included:

- **Risk Hub** — A new collaborative space consolidating risk metrics, assessments, and trend analysis into a single platform, giving business unit leaders real-time visibility into BCI's enterprise risk picture.
- **Enterprise Risk Health Indicators** — A suite of early-warning indicators developed with business leaders and in-house experts, providing leadership with timely insight into overall risk health across the organization.
- **Risk Appetite Integration** — Risk appetite was formally incorporated into BCI's ERM framework, establishing clear parameters for risk-taking and giving teams greater confidence and clarity as they pursue new opportunities.
- **Insurance Program Renewal** — The annual renewal was completed with a reduction in premiums while maintaining comprehensive coverage across BCI's global operations.

Together, these initiatives embed risk intelligence into the heart of BCI's operations, supporting its strategic ambitions and enabling the agility and resilience needed to succeed on a global scale.

Investment Risk Management

BCI's Investment Risk Management function is focused on enabling clients to achieve their investment objectives by providing support, advice, and independent oversight of investment risk.

BCI's investment strategy has evolved significantly over the last decade. Internal assets under management have increased, private investment allocations have risen, and credit strategies have grown. At the same time, the financial market landscape has changed, and the team has had to become more forward-thinking and adaptive.

For example, retaliatory tariffs and impacts on commodity markets from conflict in the Middle East increased the risk of stagflation, which drove a significant increase in our scenario analysis activity. The team developed more scenarios than in any prior year, allowing BCI to provide clients with timely insight into potential impacts on their portfolios and key investment objectives. These efforts also helped provide additional context for their strategic asset mix decision-making processes.

Technology has always been a key enabler of investment risk management, and recent advances in AI have created new opportunities not only to strengthen our approach and processes — but to reimagine them. BCI is applying AI to scale our capabilities to assess and monitor key risks across the portfolio and identify and monitor portfolio exposures. This has allowed us to evolve our capabilities to deliver timely, actionable insights to decision-makers.

Amid this rapid technological change and need to evolve, the ultimate focus of our risk management efforts remains unchanged – enabling risk-aware decisions and helping our clients invest with confidence.

BCI's Investment Risk Management Framework focuses on eight key risk categories: concentration risk, credit risk, funding and contribution risk, liquidity risk, counterparty risk, ESG risk, leverage risk, and market risk. For details on BCI's investment risk framework, visit [BCI.ca/managing-risk](https://www.bci.ca/managing-risk).

Business Plan

Fiscal 2026 marks the second year of BCI's fiscal 2025–2027 business plan, built around three ambitions: driving sustainable growth, accelerating innovation, and operating on a global scale.

BCI's F2025–2027 Strategic Ambitions

AMBITION 1	AMBITION 2	AMBITION 3
Driving Sustainable Growth	Accelerating Innovation	Operating on a Global Scale
Growing both our portfolio's value and our overall scale strengthens our ability to meet maturing clients' long-term return and liquidity needs.	To remain competitive in a rapidly changing industry, we are building a culture that embraces experimentation and adopting technologies that strengthen our investment and operational capabilities.	Operating in global financial centres expands our access to investment opportunities and talent, while requiring us to develop the operational capabilities that allow us to compete among the world's leading asset managers.
INITIATIVES ▪ Growing client assets through value-creation strategies ▪ Growing our scale with new AUM, sources of income, and deal flow	INITIATIVES ▪ Accelerating a culture of innovation by developing a clear strategy ▪ Accelerating the use of modern technology, AI, and analytics	INITIATIVES ▪ Broadening our global presence and managing our reputation ▪ Developing our global operational capabilities
HIGHLIGHTS ▪ Expanded private market strategies to broaden clients' access to diversified, risk-adjusted returns ▪ Onboarded one new client, growing our assets under management ▪ Established new investment partnerships that generate fee income for clients	HIGHLIGHTS ▪ Formalized our corporate innovation strategy with dedicated leadership and resources ▪ Scaled employee access to AI tools and innovation training ▪ Completed our post-quantum cybersecurity readiness assessment	HIGHLIGHTS ▪ Secured a new London office to accommodate our Private Markets teams, strengthening our access to European deal flow and on-the-ground asset management ▪ Deepened our reach in high-growth Asian markets, including BCI's first direct infrastructure investment in the Philippines ▪ Established London-based trading desk support, providing 24/7 market coverage to strengthen returns and partnerships across time zones



People & Culture

In this section:

- Executive Management Team
- Senior Management Team
- Organization Chart
- Employee Engagement
- Employee Experience & Inclusion

Executive Management Team

BCI's executive leadership brings deep experience and a clear strategic vision to guide the organization. They set direction, aligning our corporate priorities with clients' evolving investment needs, supporting long term performance, and reinforcing a culture grounded in purpose, discipline, and a global perspective.



Gordon J. Fyfe

Chief Executive Officer/
Chief Investment Officer



Shauna Lukaitis

Chief Operating Officer



Daniel Garant

Executive Vice President & Global Head,
Capital Markets & Credit Investments



Norine Hale

Executive Vice President,
Human Resources



Lincoln Webb

Executive Vice President & Global Head,
Infrastructure & Renewable Resources



Jon Salon

Executive Vice President &
Global Head, Private Equity



Ramy Rayes

Executive Vice President,
Investment Strategy & Risk



Jeremy Trickett

Executive Vice President,
Legal Affairs & Chief Legal Officer

Senior Management Team

Reporting to the Chief Operating Officer, BCI's senior management team leads the operational functions that enable BCI to deliver with strength, agility, and global reach. These teams oversee the core capabilities that keep our organization future-ready and grounded in the needs of British Columbians.



Shauna Lukaitis

Chief Operating Officer



Jesus Alva

Senior Vice President,
Investment Operations



Linzhi Lau

Acting Senior Vice President,
Corporate Risk & Audit



Rechelle Effendy

Senior Vice President,
Finance & Chief Financial Officer



Jennifer Hartfield

Senior Vice President,
Enterprise Transformation

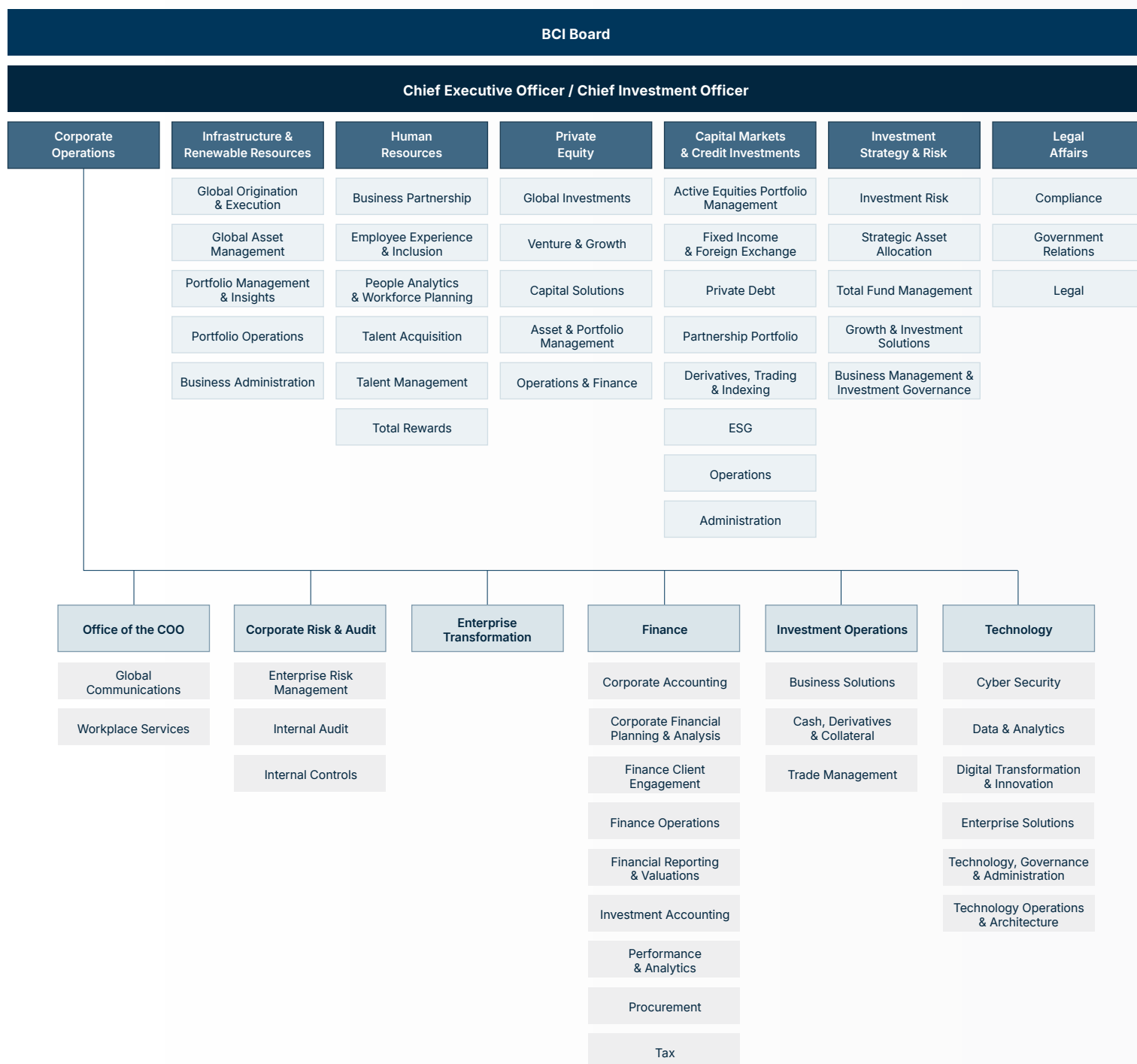


Tony Payne

Senior Vice President, Technology &
Innovation and Chief Technology Officer

Organization Chart

From a small office in Victoria to a global organization of 786 professionals, BCI has grown with purpose. Our expansion reflects our focus on operational excellence, global perspective, and local impact. Recognition as one of Canada's Top 100 Employers, Canada's Top Family Friendly Employers, Canada's Top Employers for Young People, and BC's Top Employers, underscores our commitment to a strong, people centred workplace.



Employee Engagement

BCI strengthened employee engagement in fiscal 2026 through initiatives that deepened connection, recognition, and readiness for innovation.

The Employee Engagement Survey reached a 93% participation rate, with our engagement score rising above 2023 and 2024 results and surpassing the finance industry benchmark. These gains reflect progress on corporate and department-level action plans.

In April 2025, BCI launched Bravo BCI, a virtual recognition platform designed to help employees express appreciation and reinforce the shared values that guide our work. BCI employees exchanged more than 4,000 recognitions, reflecting a culture where collaboration and purpose are lived daily.

BCI invested in strengthening leadership capabilities by launching two Management and two Leadership Edge training cohorts. Management Edge is a 12-module program designed for new managers that focuses on team engagement, courageous conversations, and strategic execution. Leadership Edge is an eight-module program for experienced leaders that covers strategic communication, talent development, high-performing teams, innovation, and change management. BCI also piloted Leadership Presence training; developed specifically for BCI and facilitated by a financial services industry professional, these programs build skills in strategic storytelling, communicating under pressure, and building trust across organizational levels.

Innovation remained central to the employee engagement agenda. This year's Employee Engagement Survey introduced a new question on comfort with AI tools, supporting BCI's AI adoption efforts, and reflects the broader organizational focus on building employee confidence with emerging technology. That focus on readiness extended beyond AI. To embed this shift, BCI launched an internal Innovation Community and partnered with our Innovation Council to build confidence in navigating change. The increase in the Change & Transformation score since 2023 signals growing employee trust in BCI's approach to innovation-driven transformation.

Developing a strong talent pipeline is essential. Now in its eleventh year, the Co-op and Internship Program has welcomed 203 students across 271 work terms in fiscal 2026. Since its launch, the program has provided work experience to almost 1,000 students from Canadian and international post-secondary institutions. This year, the program expanded to our London office, reflecting the program's evolution alongside BCI's growing global presence.

Now in its third year, BCI's Indigenous Empowerment Scholarship Program continues to provide scholarship funding and hands-on work experience. BCI will be welcoming nine students in the summer of 2026.



Employee Experience & Inclusion

BCI's F2026–27 EDI Strategy sets out a multi-year commitment to integrating equity, diversity, and inclusion into HR and business programs, building leadership capability, and engaging all employees in sustaining an inclusive workplace.

In support of this strategy, BCI recognized eight cultural days and months of significance, with employee-led working groups guiding learning, celebration, and storytelling.

More than 94% of employees have participated in Fostering Respect in the Workplace training, which is also part of onboarding for all new hires. The program's impact is reflected in Employee Engagement Survey scores, indicating increased employee confidence that serious misconduct would be appropriately addressed.

Following the publication of BCI's Accessibility Plan in 2024, BCI developed a formal Accommodation Procedure for Canadian-based employees, providing a clear process for requesting and receiving workplace accommodations.

BCI continued to take concrete steps to strengthen gender representation within its own teams and across the broader finance industry. Partnerships with UBC Sauder's Women in Finance Training program and Ivey's Women in Asset Management program placed seven female students in co-op investment roles in summer 2025, building a pipeline of diverse emerging investment talent. At the industry level, BCI became a Silver Partner of VersaFi, Canada's network for women in finance, supporting development programming, research initiatives, and education that advance inclusion across the Canadian finance sector.

This fiscal year, BCI reinitiated voluntary demographic data collection from applicants, new hires, and our current workforce. Employees were invited to self-identify across ethnicity/race, 2SLGBTQIA+, disability, gender, and caregiver status. All data is collected confidentially under strict privacy protocols and reported in aggregate.

Gender ¹	Women & Non-binary ¹	Men ¹	Prefer not to say ¹	Race & Ethnicity ¹
Total BCI	45.7%	53.9%	0.4%	45.4%
Executive Management	37.5%	62.5%		12.5%
Non-Executive Management	38.2%	60.3%	1.5%	38.9%
Professionals	42.5%	57.5%		51.0%
Support	85.7%	14.3%		34.7%

Corporate Governance

Governance Framework

BCI was established by the *Public Sector Pension Plans Act* ("Act") in 1999. The Act outlines the responsibilities of the BCI Board and CEO/CIO, including:

BCI Board	CEO/CIO
Appoint CEO/CIO (the Act states the CIO is the CEO), set remuneration, and review and monitor CEO/CIO 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

Investment professionals make all investment decisions within the framework of policies approved by the BCI Board and BCI's clients.

The BCI Board complies with the BCI Code of Ethics and Professional Conduct, which establishes minimum standards of conduct expected of all BCI personnel and Directors. To access the complete Board Mandate and BCI Code of Ethics and Professional Conduct, visit [BCI.ca/about/governance/overview/](https://www.bci.ca/about/governance/overview/).

BCI Board Composition

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 the competencies, skills, and experience the BCI Board looks for in Directors. The BCI Board Chair and all Directors are non-executive Directors and independent of management.

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 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 year¹ 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 Attendance

The BCI Board meets every quarter, with additional meetings arranged as required. In fiscal 2026, the BCI Board met as a whole five times, the Audit Committee met four times, and the HRGC met two times.¹ Directors who are not members of a committee may observe those meetings.

Director	Meetings	Attendance
Peter Milburn	5/5	100%
Reg Bawa	5/5	100%
Paul Finch	4.5/5	90%
Donna Lommer	5/5	100%
Tom Vincent	5/5	100%
Wendy Strugnell	3/3	100%
Geraldine Hutchings	3/3	100%
Audit	Meetings	Attendance
Tom Vincent, Chair ²	4/4	100%
Reg Bawa	4/4	100%
Geraldine Hutchings ³	2/2	100%
HRGC	Meetings ¹	Attendance
Donna Lommer, Chair	2/2	100%
Paul Finch	2/2	100%
Wendy Strugnell ⁴	1/1	100%

Director Development

BCI provides tailored onboarding for each new Director, covering topics such as BCI Board responsibilities, BCI's business activities, and current areas of interest. With two new Directors in fiscal 2026, and one in late fiscal 2025, portions of the orientation were delivered as a group.

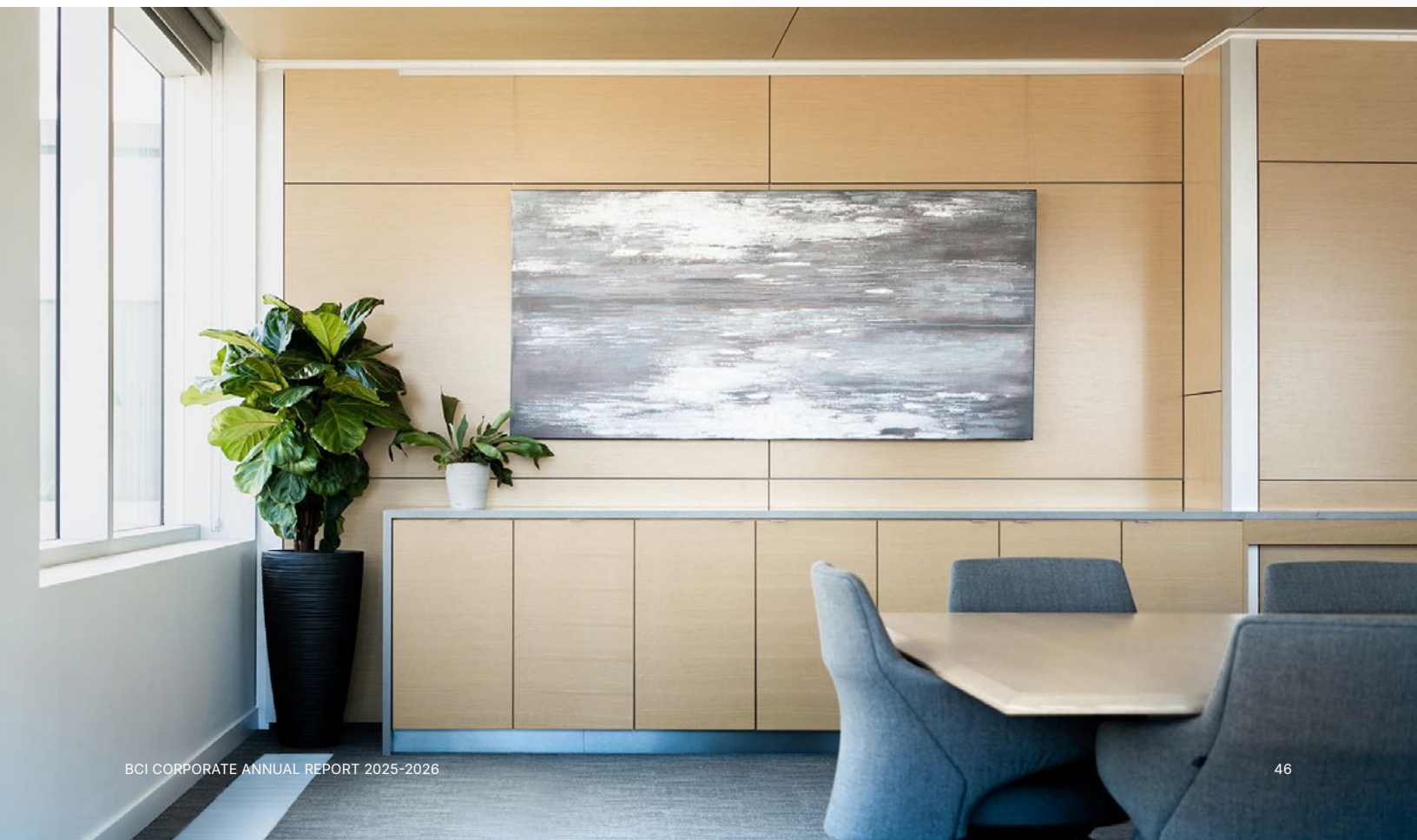
BCI budgets for ongoing individual Director and collective Board development and maintains an Institute of Corporate Directors membership. An annual review is conducted to identify what educational sessions will be arranged for the fiscal year.

Director Skills and Experience Review

The BCI Board undertakes an annual review of Directors' collective skills and experience. The results inform development planning and guide the identification of desired skills and experience for future appointments. Collectively, the current Directors' key skills and experience include pensions, governance, senior/executive leadership, strategic planning, talent management, and enterprise risk management.

BCI Board Effectiveness

The BCI Board conducts an annual effectiveness review, with the format and focus tailored to that year's circumstances. This year, the BCI Board completed a targeted questionnaire, building on the comprehensive externally facilitated review conducted in the prior year. The results were reviewed by the BCI Board, with findings informing ongoing governance enhancements.



Director Profiles

		Director Since	Current Term End	Appointed By
	Peter Milburn Chair	December 31, 2016	December 31, 2026	Minister of Finance
	Reg Bawa Director	January 1, 2024	December 31, 2026	Teachers' Pension Board
	Paul Finch Director	April 1, 2019	March 31, 2028	Public Service Pension Board
	Geraldine Hutchings Director	September 1, 2025	August 31, 2027	College Pension Board
	Donna Lommer Director	January 1, 2019	December 31, 2027	Municipal Pension Board
	Wendy Strugnell Director	June 23, 2025	December 31, 2028	Minister of Finance
	Tom Vincent Director	February 14, 2025	December 31, 2027	Minister of Finance

Director Diversity

The following chart outlines the diversity of members of the BCI Board during fiscal 2026, based on Directors' self-assessment.

Gender (%)

Women & Non-Binary	43
Men	57

Race & Ethnicity (%)¹

43

Director Remuneration

The Act provides that Directors receive an annual retainer and meeting fees, set by the Board and consistent with provincial Treasury Board guidelines. Where a Director's employer compensates them for board service, a portion of remuneration is paid to their employer.

Total remuneration for fiscal 2026¹ was \$264,098.30 (2024-2025 \$253,376.71).

2025-2026 DIRECTOR REMUNERATION

	Annual Retainer	Committee Chair Fee	BCI Board Meeting Fee	Committee Meeting Fee	Total
Peter Milburn²	\$39,215.68		\$9,834.76		\$51,975.94
Reg Bawa³	\$19,607.24		\$9,834.76	\$3,921.44	\$33,363.44
Paul Finch⁴	\$19,607.24		\$9,834.76	\$2,946.27	\$32,388.27
Geraldine Hutchings	\$11,462.97		\$7,884.42	\$2,946.27	\$22,293.67
Donna Lommer	\$19,607.24	\$6,536.13	\$9,834.76	\$2,946.27	\$38,924.41
Wendy Strugnell⁵	\$14,731.40		\$7,884.42	\$1,971.11	\$24,586.93
Tom Vincent²	\$19,607.24	\$6,464.69	\$9,834.76	\$3,921.44	\$43,241.21

BCI BOARD REMUNERATION

Position	Year	Annual Retainer ⁵	Per Diem ⁵
Board Chair	2026	\$39,838.83	\$995.94
	2025	\$39,007.96	\$975.17
	2024	\$38,205.64	\$955.11
Director	2026	\$19,918.81	\$995.94
	2025	\$19,503.39	\$975.17
	2024	\$19,102.24	\$955.11
Audit Committee Chair	2026	\$6,640.00	\$995.94
	2025	\$6,501.51	\$975.17
	2024	\$6,367.79	\$955.11
HRGC Chair	2026	\$6,640.00	\$995.94
	2025	\$6,501.51	\$975.17
	2024	\$6,367.79	\$955.11
Committee Member	2026	-	\$995.94
	2025	-	\$975.17
	2024	-	\$955.11

Compensation Discussion & Analysis

BCI's compensation approach is designed to attract and retain world-class professionals, and to align the interests of our people with those of our clients. It includes competitive base salaries, performance-based incentive programs, professional development opportunities, and career mobility through secondments and rotation programs.

We are accountable to our clients for both investment returns and the cost of managing their funds. Our incentive programs are structured to directly reflect that accountability.

Compensation Philosophy

BCI's Compensation Philosophy is principles-based and emphasizes pay-for-performance, long-term results, and meeting clients' expectations. It is guided by two core commitments:

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

Total compensation includes base salary, incentive pay, benefits, pension contributions, and perquisites.

Our compensation practices:

- Are aligned to BCI's short- and long-term strategies and objectives to ensure value for money
- Are responsive to the different markets in which we compete for talent
- Are managed on a total compensation basis
- Value cost-effectiveness and ease of administration
- Recognize differences in individual performance and reinforce desired behaviours
- Are communicated clearly and consistently
- Provide base salary, incentives, and benefits that are sufficiently competitive in the relevant markets
- Maintain internal consistency and equity, and establish a clear job hierarchy

Compensation Governance

BCI's compensation governance framework defines roles and responsibilities in alignment with industry best practices:

BCI Board	Executive Talent and Compensation Committee (ETCC)	Investment Risk Committee
Makes all structural and strategic decisions including the approval of the Compensation Philosophy, Annual Incentive Plan (AIP) and Long-term Incentive Plan (LTIP) policies; measures of return within those policies; and the overall long-term absolute return benchmark. The BCI Board also approves individual pooled fund benchmarks and the total fund performance objectives annually.	Makes administrative and performance measurement decisions on AIP calculation criteria, including value driver weightings and multi-year timeframes for department and portfolio returns. Reviews all individual pooled fund benchmarks and the total fund performance objective recommendations for approval by the BCI Board. Comprises the Executive Management Team and is chaired by the Executive Vice President, Human Resources.	Reviews matters related to benchmarks, performance objectives, and other requirements in accordance with the Benchmark Governance Policy, including performance objectives for each pooled fund, asset class, and overall investment return, as well as all related governance requirements. Comprises key members of the Executive Management Team and BCI's investment risk professionals.

The framework focuses the BCI Board on strategic decisions aligned with the Compensation Philosophy. It also formalizes the boundary between decisions reserved for the BCI Board and those delegated to management.

Human Resources and Governance Committee

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

The HRGC currently consists of three Directors appointed by the BCI Board, with diverse backgrounds in business and human resources.

The HRGC met on two occasions in fiscal 2026¹, with in-camera sessions held at each meeting. The BCI Board also discussed BCI's compensation framework on three occasions in fiscal 2026.

HRGC monitors and makes recommendations to the BCI Board on:

- 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
- BCI Board and Board committee effectiveness initiatives
- Best practices and trends in board governance

Compensation Consultants and External Sources

The BCI Board reviews BCI's Compensation Philosophy and structure every three years with support from an external advisor. During fiscal 2026, the BCI Board appointed WTW to conduct the triennial review of the Compensation Philosophy pay levels, pay mix, job classification framework, and to complete a pay equity audit. Changes resulting from the review were based on detailed market analysis and are effective fiscal 2027.

For all roles, the BCI Board benchmarks compensation against similar and/or equivalent positions within BCI's peer group consisting 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 and public sector organizations are also included. Sample data may also be drawn from the broader financial services sector, general industry, and custom data sources.

Job Evaluation and Classification Plan

BCI's job evaluation and classification plan uses external benchmarking and a job family system to provide internal consistency across all positions, measuring knowledge, complexity, responsibility, and working relationships.

Job Category	Description
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.

Pay Transparency

This fiscal year, BCI became subject to British Columbia's *Pay Transparency Act*, enacted in May 2023 to address the province's gender pay gap. In compliance with the Act, BCI includes expected salary ranges in all B.C.-based job postings and publishes an annual pay transparency report by November 1 each year. BCI posted its inaugural [Pay Transparency Report](#) on November 1, 2025. In New York, BCI complies with New York State's *Pay Transparency Law*, effective September 2023, and includes salary ranges and job descriptions in all applicable job postings.

Compensation Structure

BCI's compensation structure consists of a base salary, benefits, and pay-for-performance variable pay through the AIP and LTIP for senior roles.

Component	Description
Base Salary	Salary ranges are set through custom and published surveys. Salaries are reviewed annually; increases reflect individual performance evaluations.
Annual Incentive Plan (AIP)	Available to all permanent and fixed-term employees. Payments reflect the achievement of corporate objectives, investment performance, and individual contributions. Three value drivers apply to asset-class roles; two apply to non-asset-class departments.
Long-Term Incentive Plan (LTIP)	Available to senior-level employees. Awards are tied to long-term investment performance, deferred, and disbursed in three equal instalments over three years.
Benefits & Pension	Includes group health and wellness benefits, pension contributions, and applicable perquisites.

AIP Value Drivers

AIP payments are based on the achievement of corporate objectives, investment performance, and individual performance evaluations. The investment performance component is conditional on producing value-added results relative to market and/or client benchmarks. Driver weightings vary by position to reflect each role's impact on corporate performance.

Value Driver	Component	Description
1	Overall Investment Return Performance	Measured 70% against relative benchmarks, over a five-year period, and 30% against absolute return objectives, over a 10-year period.
2	Individual Contribution	Measured against the accountabilities and individual scorecard assigned to each employee's role.
3	Asset Class Performance	Measured against five-year market benchmarks for the relevant asset class. For investment roles, a greater share of total incentive pay reflects department and portfolio results.

Performance objectives and other measures of success are established at levels that create value for clients within strict risk parameters that discourage excessive risk-taking and align with BCI's investment philosophy.

LTIP

The LTIP supports retention and long-term alignment by deferring a meaningful portion of senior employees' compensation and tying it to multi-year investment results. The LTIP rewards participating employees for consistent value-added performance and the long-term success of the investment strategy and mandate. Awards are prorated for partial years of employment in an eligible position and disbursed in three equal annual instalments.

BCI's multi-year investment performance generated a total LTIP award for fiscal 2026 of 91.8%, with 100% as the maximum. LTIP total awards are derived from the same long-term measure used in the AIP, ensuring a single consistent measure across both plans.

Benchmarks and Compensation

BCI takes a principles-based approach to benchmark selection. All benchmarks for fiscal 2026 and the associated performance objectives were reviewed in accordance with BCI's Benchmarking Policy. These provisions apply to all pooled funds, asset classes, and other investment-related benchmarks, including the Overall Investment Return Performance measure used as Value Driver 1 in the AIP and LTIP.

Total Compensation

The total cost of salaries and benefits for BCI's entire employee complement was \$416.8 million in 2025–2026 (15.7 cents per \$100 of net assets under management), compared to \$367.7 million in 2024–2025 (14.6 cents per \$100 of net assets under management). The year-over-year change reflects investment in our talent and costs related to retiring allowances.

As of March 31, 2026, BCI had 786 permanent employees, compared to 792 at the end of fiscal 2025.

Executive Compensation

The compensation of the top five executives is disclosed in the Summary Compensation Table below.

Name and Principal Position	Year	Curr.	Base Salary	Annual Incentive ^{1,2}	Long-Term Incentive ^{1,2}	Pension Contribs ³	Other Benefits ⁴	Total Comp. ⁵
Gordon J. Fyfe	2025–26	CAD	\$725,196	\$2,064,634	\$2,681,002	\$76,069	\$300,879	\$5,847,780
Chief Executive Officer/ Chief Investment Officer	2024–25	CAD	\$700,672	\$1,807,734	\$2,691,618	\$73,446	\$286,572	\$ 5,560,042
	2023–24	CAD	\$673,723	\$1,861,497	\$2,508,054	\$70,417	\$278,109	\$5,391,800
Daniel Garant	2025–26	CAD	\$610,000	\$1,622,478	\$1,542,493	\$64,722	\$212,566	\$4,052,259
Executive VP & Global Head, Capital Markets & Credit Investments	2024–25	CAD	\$585,000	\$1,428,570	\$1,520,714	\$62,053	\$199,798	\$ 3,796,135
	2023–24	CAD	\$562,000	\$1,447,824	\$1,424,360	\$59,413	\$192,467	\$3,686,064
Lincoln Webb	2025–26	CAD	\$610,000	\$1,622,478	\$1,506,721	\$64,722	\$218,982	\$4,022,904
Executive VP & Global Head, Infrastructure & Renewable Resources	2024–25	CAD	\$585,000	\$1,428,570	\$1,441,267	\$62,053	\$203,146	\$ 3,720,036
	2023–24	CAD	\$525,000	\$1,352,505	\$1,246,974	\$55,768	\$177,140	\$3,357,387
Ramy Rayes	2025–26	CAD	\$500,000	\$1,136,250	\$1,136,881	\$53,887	\$166,797	\$2,993,815
Executive VP, Investment Strategy & Risk	2024–25	CAD	\$475,000	\$1,021,250	\$1,087,869	\$51,218	\$157,729	\$ 2,793,066
	2023–24	CAD	\$450,000	\$1,036,125	\$933,479	\$48,381	\$139,654	\$2,607,639
Jon Salon⁶	2025–26	USD	\$583,333	\$1,846,570	\$695,085	\$32,812	\$61,442	\$3,219,242
Executive VP & Global Head, Private Equity	2024–25	USD	-	-	-	-	-	-
	2023–24	USD	-	-	-	-	-	-

Annual Climate-related Disclosures

In this section:

- Governance
- Strategy
- Risk Management
- Metrics & Targets
- BCI's Portfolio Carbon Footprint
- BCI's Operational GHG Emissions

BCI's Climate Action Plan sets out our approach to identifying and managing climate-related risks and opportunities across our investment activities through four components: Manage Risks; Integrate; Seek Opportunities; and Engage & Advocate. Climate-related risks and opportunities are factored into each asset class and investment strategy through a consistent approach adapted to each asset class context. An updated Plan will be published later in 2026.

To the extent possible, BCI's annual climate-related disclosures have been informed by CSDS 2. See [Appendix II: CSSB Standards Alignment](#) for more details.

Governance

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

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

While not involved in making investment decisions, the BCI Board provides oversight of ESG investment risk management, ensuring strong governance and ESG risk management frameworks are in place. The Board reviews and approves the [ESG Governance Policy](#) which establishes BCI's governance framework for all ESG issues, including climate change, and articulates the overall approach and related roles and responsibilities at BCI regarding ESG. The BCI Board also monitors any revisions to our overall approach and specific action we are taking to address climate change.

In fiscal 2026, the BCI Board received progress updates on BCI's Climate Action Plan and reviewed key performance indicators (KPIs) for the ESG program including those relating to climate risk and our climate-related engagement activities. BCI's Audit Committee reviewed and approved an approach to external verification of BCI's portfolio carbon footprint that balances rigour with resource efficiency. Following two years of limited assurance over the Public Markets and independent assessment of the Private Market portfolio carbon footprint, BCI approved a targeted, risk-based external review of the calculation that focuses coverage on the highest-emitting entities across the portfolio.

Management's Role

BCI's CEO/CIO and senior management committees review and approve our climate strategy and climate-related risk management approach, with roles and responsibilities assigned by BCI's ESG Governance Policy, [Climate Action Plan](#), and [ESG Strategy](#).

For individual investment decisions, the Management Investment Committee receives climate-related risk and opportunity analysis for investments with material climate exposure, as part of every investment risk review. Asset class investment teams review physical and transition climate change risk analysis addressing opportunities, value creation ideas, mitigation measures, and valuation impacts, where material.

Strategy

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

Climate change is a systemic risk affecting every market in which BCI invests on behalf of our clients. The macro environment for the energy transition has grown more complex with heightened geopolitical tensions reshaping global energy markets, capital flows, and policy ambition — yet the transition to low-carbon infrastructure has demonstrated notable resilience. In this environment, BCI's approach centres on portfolio resilience, active risk management, and the flexibility to adjust as transition and physical risks materialize unevenly across regions, sectors, and time horizons.

Climate Resilience and Climate Scenario Analysis

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.

BCI uses scenarios based on Network for Greening the Financial System (NGFS) data to estimate the impacts of climate change across asset types. BCI's ESG Risk and Opportunity Framework uses financial risk modelling tools and processes to measure and evaluate climate change risks and opportunities under different scenarios, that is incorporated into investment decisions where it is financially material.

BCI'S CLIMATE SCENARIO ANALYSIS

Net Zero, below 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.

Below 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.

Below 3°C scenario (Nationally Determined Contributions or NDCs)¹

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.

Short-term 5 years

Medium-term 10-15 years

Long-term

TRANSITION RISKS AND OPPORTUNITIES

Regulatory and economic uncertainty, combined with a shifting geopolitical environment, create headwinds for the global goal of net-zero by 2050. Several key political environments have increased support for fossil fuels, but the cost competitiveness of low-carbon energy has shown resilience: global energy transition investment reached a record US\$2.3 trillion in 2025 — up 8% year over year — and clean energy supply investment outpaced fossil fuel supply investment for a second consecutive year, with the gap widening. Current investment levels remain below those required for a net-zero pathway, which itself signals a sustained, multi-decade deployment opportunity for long-term institutional investors. BCI continues to advocate for the regulatory ambition and certainty needed to accelerate action, while actively evaluating where different forms of capital are needed by the market.

Transition opportunities are expected to grow in importance for asset pricing across all markets, with regional variation, and solidify across multiple sectors. Capital-intensive industries will need the greatest policy support to create the market conditions to scale clean technologies, while companies enabling low-carbon electricity grids, alternative energy sources, and decarbonization of industrials are well positioned to present meaningful transition opportunities for investors.

Over the long term, an orderly transition to a low-carbon economy aligned with a net-zero (1.5°C) scenario would reduce systemic risk. Current global commitments are not yet sufficient to meet that goal, but capital flows, declining technology costs, and continued corporate engagement on transition planning continue to expand the opportunity set available to long-term investors. BCI's engagement and advocacy will continue to focus on policies and regulations that enable an orderly and predictable transition and prepare companies to be resilient under any scenario. As a long-term institutional investor, BCI will continue to use its scale and influence to support those outcomes — outcomes that are material to meeting our clients' return objectives.

PHYSICAL RISKS

Physical risks are expected to materialize as isolated incidents across the portfolio. These near-term manifestations of long-term warming are factored into investment decisions, with due diligence conducted where material physical risks are identified. The data available to analyze these risks continues to improve. Mitigation measures are applied where appropriate, including adequate insurance coverage, climate adaptation plans, and disposing of assets where risks are not manageable.

Physical risks increase in likelihood and severity under all 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 damages across asset classes and time horizons relevant to each investment.

Long-term physical impacts are expected to intensify, with extreme weather events becoming more frequent and severe at higher degrees of warming. A high-warming scenario is expected to negatively affect portfolio performance over the long term, underscoring the need for investments in adaptation and for portfolio adjustments aligned with evolving physical risk.

Risk Management

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

Climate risks are assessed during due diligence and throughout the investment lifecycle to ensure climate change is an ongoing consideration in investment decisions, asset management, and stewardship activities. Dedicated teams across the organization provide analysis and insight to ensure climate-related risks are managed where material. Outputs from climate scenario analysis, carbon footprint data, and physical risk assessment processes are provided to our clients, portfolio managers, the executive management team, and BCI's Board.

In public markets, climate change information is integrated into internally managed fundamental active equity mandates as part of broader ESG risk analysis. In private markets, BCI conducts or commissions reports covering legal, environmental, regulatory, or other climate-related workstreams as part of direct private asset due diligence.

For each asset class, we identify, analyze, prioritize, and monitor material climate change risks and opportunities for new and existing investments, with risks factored into investment memos delivered to the investment committee where material.

Engagement Activity

Based on our assessment of material ESG risks in our portfolio, climate change has been an 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:** In accordance with our Proxy Voting Guidelines, we apply expectations for climate disclosure, target-setting, and performance that are calibrated to a company's climate exposure and the materiality of climate risk to its business. 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. Where companies are not meeting our expectations or demonstrating progress, BCI may hold relevant directors accountable, demonstrating how voting is one of the most direct tools available to investors to drive board-level accountability on climate risk.
- **Direct Engagement:** We focus on improving climate change performance and achieving better disclosure from invested companies. Our direct engagement prioritizes the most carbon-intensive investments in the portfolio, encouraging companies to develop transition plans with short- and medium-term emission reduction targets. BCI also uses its governance rights such as board representation to work with management teams to ensure climate risks are monitored and reflected in their business strategy.

For progress against BCI's climate engagement commitment, see Metrics & Targets, page 59.

- **Collaborative Engagement:** We work with our global peers to improve climate disclosure, as well as to ask companies to take action to reduce GHG emissions. In 2025, we participated in 6 collaborative engagement initiatives targeting more than 1,590 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 policies and regulatory frameworks that will improve the investing environment for long-term investors. In 2025, BCI made 10 climate-related policy submissions, including submissions supporting the adoption of the IFRS Sustainability Disclosure Standards and strengthening methane regulations in the U.S. and Canada.

Metrics & Targets

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

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
- Capital invested in climate-related opportunities
- Relative impact of climate scenarios on total expected returns
- Total portfolio carbon footprint measured in tonnes of carbon dioxide equivalent per million dollars invested
- BCI's operational carbon footprint
- Sustainable bond participation

Carbon-Intensive Investments with Net-Zero Aligned Commitments

In 2022, we made a commitment to ensure at least 80% of our carbon-intensive investments¹ have set mature net-zero-aligned commitments by 2030, or are subject to climate engagement by BCI.

The top 75 emitters identified in fiscal 2026 form the basis for tracking progress against this commitment. Achieving this commitment requires sustained progress from companies operating in complex regulatory, economic and geopolitical environments. BCI actively engages with companies in our portfolio to drive accountability and progress; where companies are not responding, BCI may escalate. The pace of change is nonetheless shaped by factors beyond our direct control.

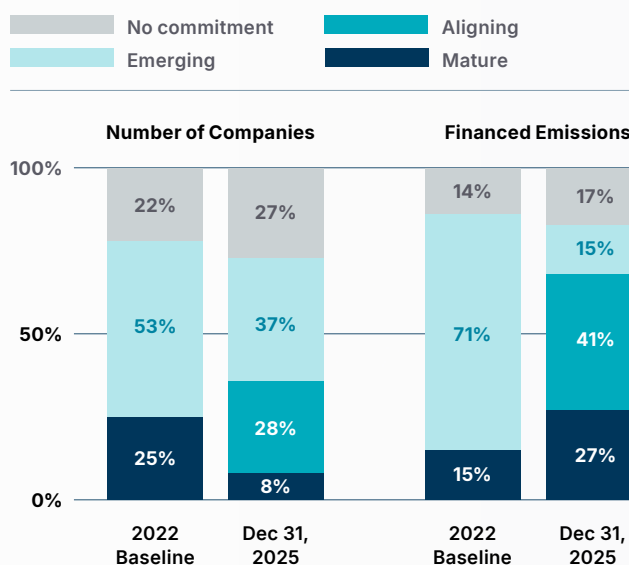
We use an internal methodology that leverages several datasets and benchmarking tools to derive our maturity assessments, including Climate Action 100+, Climate Engagement Canada, the Science-Based Target Initiative and the Transition Pathways Initiative. These tools allow us to assess each company's climate commitments and progress against a consistent, externally-grounded framework.

Over the past three years, many of our carbon intensive investments have made meaningful progress by setting decarbonization targets, adopting science-based targets, and developing transition plans, but still have work to do to achieve the mature category. We reviewed and updated our maturity assessment scale from three tiers to four. The new "Aligning"

category captures meaningful advances companies are making toward credible net-zero strategies. The addition of the "Aligning" tier in 2026 allows for more precise reporting and supports more targeted engagement leading to 2030.

As at December 31, 2025, 59% of top-financed emitters were mature or subject to engagement, establishing our current position for tracking progress toward this commitment. BCI reviews its Climate Action Plan regularly to ensure our commitments and methodology remain aligned with market conditions and client expectations. An updated plan will be published later this year.

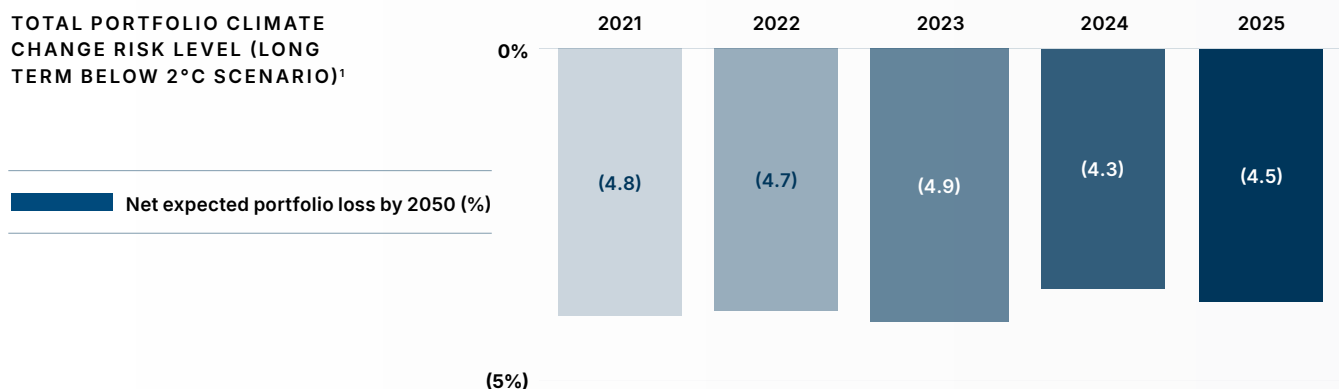
CARBON-INTENSIVE INVESTMENTS WITH NET-ZERO-ALIGNED COMMITMENTS² (%)



Relative Impact of Climate Scenarios on Total Expected Returns

Under a Below 2°C scenario, BCI's 2025 climate scenario analysis indicates a net expected cumulative portfolio loss of (4.5%) by 2050, relative to current market expectations. Climate change scenario risk analysis is an evolving area of research, and BCI continuously seeks to incorporate new and updated data, as well as improved calculation methodologies into our estimates of climate risk to account for the most up to date evaluation of transition risks in the portfolio. The increase in the 2025 estimated risk is mainly due to improved calculation methodologies, as well as increased coverage and analysis of specific asset types. The 2025 figure accounts for greater economic damages from transition and physical risks.

TOTAL PORTFOLIO CLIMATE
CHANGE RISK LEVEL (LONG
TERM BELOW 2°C SCENARIO)¹



Climate-related Opportunity Exposure

BCI calculates our climate-related opportunity exposure of the portfolio using the SDI AOP² classifications, 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 \$12.3 billion at December 31, 2025, compared to \$12.1 billion at December 31, 2024. Additional investments in Renewable Energy Assets increased BCI's exposure to climate opportunities; however, this was moderated by changes in portfolio composition within real estate, resulting in a slight increase.

BCI's Portfolio Carbon Footprint

Measured at the end of calendar 2025, BCI's portfolio carbon footprint has decreased by 63% compared to fiscal 2020¹.

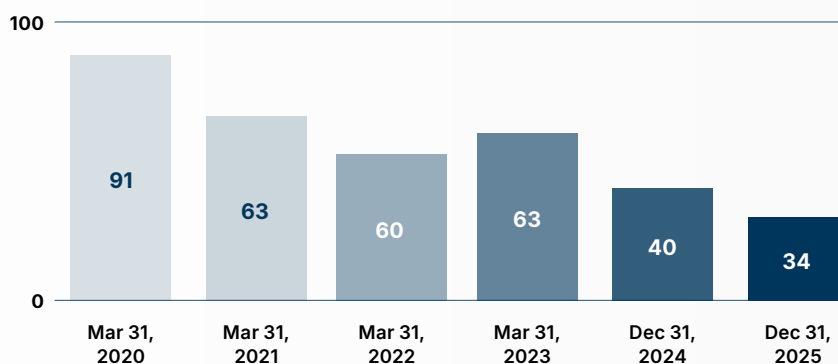
The reduction reflects three primary drivers: emissions reductions at several of the largest-emitting companies in the portfolio, the continued decoupling of emissions growth from valuation growth across global equity markets, and portfolio composition changes that have reduced exposure to higher-emitting investments. While annual movements may vary, the longer-term direction of travel is consistent with the implementation of BCI's Climate Action Plan.

BCI PORTFOLIO CARBON FOOTPRINT²

Tonnes of CO₂e/\$million

-63%

% Reduction since FY2020



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.

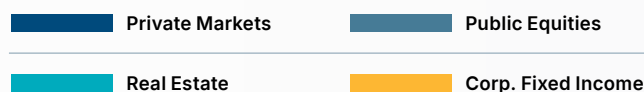
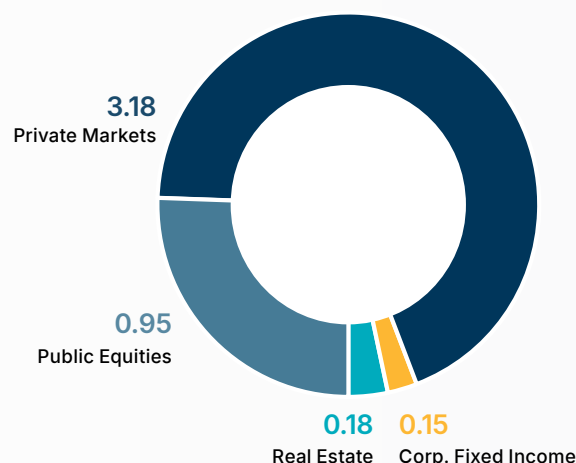
ASSET CLASS BREAKDOWN

(tonnes of CO₂e/\$million) Dec 31, 2025

Asset Class	CY2025
Public Markets	26
Public Equities	27
Public Equities Benchmark	37
Corporate Fixed Income	21
Corporate Fixed Income Benchmark	46
Real Estate	11
Private Markets	44
BCI Total Portfolio	34

Absolute Financed Emissions

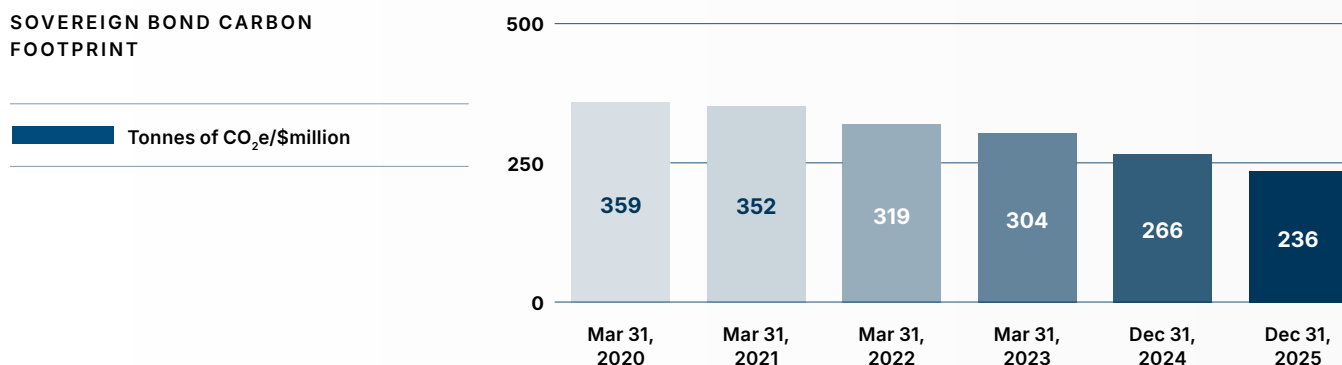
BCI'S FINANCED EMISSIONS^{3,4}
(million tonnes of CO₂e)



Sovereign Bonds

BCI's financed emissions from government bond investments are calculated using a methodology informed by the Partnership for Carbon Accounting Financials (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



Data Quality Score

BCI calculates a PCAF-informed data quality score to monitor the quality of the emissions data used in the portfolio carbon footprint calculation. The score is measured on a scale of one to five, with one representing the highest quality data possible. To support continuous improvement, BCI has taken steps to source carbon data directly from portfolio companies, which contributes to more accurate measurement over time. As at December 31, 2025, our total portfolio weighted-average data quality score was 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 ¹
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 ²
5	Company specific financial metrics are not available Emissions estimated based on an industry emission intensity proxy ³

For Private market top contributors to financed emissions, the BCI ESG team applies a quality control process to verify that emissions data accurately reflects each company's carbon profile. This includes collecting detailed GHG information such as operational coverage, verification evidence, and the underlying reporting protocol.

BCI has also improved data timeliness through direct engagement with portfolio companies, requesting GHG disclosures aligned with financial reporting cycles and partially reducing the previous one-year reporting lag.

BCI's Portfolio Carbon Footprint Methodology

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

BCI's portfolio carbon footprint is calculated using an internally developed methodology informed by the PCAF standard and industry best practices for a multi-asset class fund. At the aggregate portfolio level, BCI reports both portfolio carbon footprint intensity and total financed emissions across asset classes, using an enterprise value approach that includes equity and corporate debt investments. Sovereign debt is reported separately, using a methodology that measures emissions financed based on BCI's owned share of a country's debt.

BCI applies an operational control approach to its organizational boundary; emissions associated with investments are therefore reported as Scope 3 Category 15 as defined by the GHG Protocol.

The PCAF-informed enterprise value approach attributes asset emissions to BCI based on its proportionate share of the asset's enterprise value, accounting for both debt and equity. Scope 1 and 2¹ emissions are included for each asset. Scope 3 emissions of investee companies are excluded at this time due to data quality, comparability, coverage, and current market standards.

Where company-level emissions data is not available, BCI estimates GHG emissions using GICS sub-industry emission intensities from Trucost data, applied based on the hierarchy of company-specific financial information available.²

Carbon emissions data is inherently imprecise, and reliance on third-party and company-supplied data across a multi-asset class portfolio limits precision. BCI's methodology continues to evolve as global sustainability reporting standards develop, and underlying data quality improves.

SCOPE

In-scope investments are those 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 strategies with data limitations and asset types with insufficient methodology guidance or standards. The scope is reviewed annually to determine if it is possible to cover additional investments.

COVERAGE

Coverage is calculated as the Market Value³ of covered investments — those for which GHG emissions are available or can be estimated — divided by the Market Value of all in-scope investments. BCI's coverage was 92% for calendar 2025.

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

Asset Class	In-scope Investments	Out-of-scope Investments
Corporate Fixed Income	Corporate Bonds	- Money Market - Derivatives - Alternative Products - Private Debt - Cross Holdings
Public Equities	- Common Stock - Preferred Stock - Private Placements	- Absolute Return Strategies - Derivatives - Exchange Traded Funds - Alternative Products - Cash and Cash Equivalents - Cross Holdings
Private Markets	- Principal Investments - Fund Investments - Common Stocks	- Derivatives - Exchange Traded Funds
Real Estate	Domestic Real Estate Equity	- International Real Estate Equity - Real Estate Debt
Sovereign Bonds⁴	- Sovereign Debt - Supranational Debt	- Provincial Bonds - Municipal Bonds - Funding Program

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 CO₂e¹ 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 CO₂ is the only gas disclosed by the company). Any public equity or credit investments not covered by the Trucost database are estimated by proxy using

BCI's sub-industry estimation approach. For carbon intensive corporates with limited direct disclosure, carbon emissions may be estimated using an operational assessment and physical activity-based estimates.

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.

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. BCI uses an 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 where necessary.

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

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 covered¹ investments:

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

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 the 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 SCOPE¹ as at December 31 (tCO₂e)

	2022	2023	2024	2025
Scope 1: Direct emissions (building heating - natural gas)	51	49	42	31
Scope 2: Indirect emissions (building electricity, steam consumption)	26	65	62	78
Scope 3 ² : Indirect emissions (business travel, recycling, waste)	3,088	3,810	3,477	1,997
Total emissions generated	3,165	3,924	3,581	2,106
Total offsets purchased	3,165	3,924	3,581	2,106

Cautionary Statement

BCI 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 its Climate Action Plan and ESG strategy, 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.



Appendices

In this section:

- Appendix I: Pooled Fund Benchmarks
- Appendix II: CSSB Standards Alignment
- Appendix III: SASB Standards Index
- Appendix IV: Methodologies
- Appendix V: Endnotes

Appendix I: Pooled Fund Benchmarks

Unless otherwise indicated, all benchmarks are total return, unhedged, and as of March 31, 2026. For detailed information on our pooled funds, view our Pooled Fund Performance and Financial reports at [BCI.ca/pooled-funds](https://www.bci.ca/pooled-funds).

Pooled Fund	Benchmark
Short-Term Funds	
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
Bond Funds	
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 ¹
Principal Credit Fund	Morningstar LSTA U.S. Leveraged Loan 100 Index ²
The Funding Program	Custom Benchmark ³
Equity Funds — Canadian	
Indexed Canadian Equity Fund	S&P/TSX Composite Index
Active Canadian Equity Fund	S&P/TSX Capped Composite Index
Equity Funds — Global	
Indexed EAFE Equity Fund	MSCI EAFE Index
Indexed Global Equity Fund	MSCI World ex-Canada Index
Global Quantitative Active Equity Fund	MSCI World ex-Canada Index
Global Partnership 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
Equity Funds — Emerging Markets	
Indexed Emerging Markets Equity Fund	MSCI Emerging Markets Index
Active Emerging Markets Equity Fund	MSCI Emerging Markets Index
Private Markets Funds⁴	
Private Equity Program	Custom Benchmark ⁵
Infrastructure & Renewable Resources Program	Cost of Capital
BCI QuadReal Real Estate Equity Program	Custom Benchmark ⁶
BCI QuadReal Real Estate Debt Program	Custom Benchmark ⁷

Appendix II: 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 page 69. The CSSB Standards can be found at this [website](#).

Material Topics CSDS 1 & CSDS 2 Frameworks	Climate Change (Including Financed Emissions)	Employee Diversity & Inclusion	Incorporation of ESG Factors in Investment Management	Business Ethics
Governance	ESG Governance Policy Annual Climate-related Disclosures p. 54, 55	EDI Guiding Principles Accessibility Statement EDI Council	ESG Governance Policy ESG Strategy BCI.ca/ESG	Code of Ethics and Professional Conduct Public Interest Disclosure Act Forced and Child Labour Risk Assessment Report
Strategy	Annual Climate-related Disclosures p. 55-60 Climate Action Plan ESG Strategy Stewardship Report p. 4-6 BCI.ca/ESG Corporate Annual Report p. 31, 33	EDI Strategy Accessibility Plan Corporate Annual Report p. 42, 43	ESG Strategy Proxy Voting Guidelines Risk Management ESG Risk and Opportunity Framework Corporate Annual Report p. 19, 23, 31, 32 Forced and Child Labour Risk Assessment Report	Code of Ethics and Professional Conduct Public Interest Disclosure Act Forced and Child Labour Risk Assessment Report
Risk Management	Climate Action Plan ESG Strategy Annual Climate-related Disclosures p. 55, 56, 58, 60 Risk Management ESG Risk and Opportunity Framework	Corporate Annual Report p. 42, 43	Risk Management ESG Risk and Opportunity Framework ESG Strategy Corporate Annual Report p. 36	Code of Ethics and Professional Conduct Public Interest Disclosure Act Forced and Child Labour Risk Assessment Report
Metrics and Targets	Annual Climate-related Disclosures p. 59-65 Climate Action Plan Corporate Annual Report p. 33-34 Stewardship Report p. 12-14	Corporate Annual Report p. 42, 43, 47	Corporate Annual Report p. 32	

Appendix III: 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	Indicator	Disclosures
Transparent Information & Fair Advice for Customers	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	Not applicable
	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	
	Description of approach to informing customers about products and services	
Employee Diversity & Inclusion	Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees 3	Corporate Annual Report p. 43, 47
Incorporation of ESG Factors in Investment Management & Advisory	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	ESG Governance Policy Corporate Annual Report p. 32
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment or wealth management processes and strategies	ESG Strategy Climate Action Plan Corporate Annual Report p. 31,32
	Description of proxy voting and investee engagement policies and procedures	ESG Strategy Proxy Voting Guidelines Climate Action Plan Annual Climate-related Disclosures p. 58 Corporate Annual Report p. 32 Stewardship Report p. 4-12 BCI.ca/esg/proxy-voting
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Annual Climate-related Disclosures p. 61-65
	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	
Business Ethics	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	BCI.ca/governance
Activity Metrics	Total assets under management (AUM)	Corporate Annual Report p. 6
	Total assets under custody and supervision	Not applicable

Appendix IV: Methodologies

- 1) Unless otherwise stated, all information is as at March 31, 2026, and figures are in Canadian dollars.
- 2) Figures presented for assets under management, as well as percentage of portfolio assets, holdings, carbon footprint, and global distribution, may not precisely add up due to rounding. Percentage change figures are calculated using rounded values as presented and may differ from calculations based on unrounded figures.
- 3) Real estate equity and real estate debt are managed by QuadReal Property Group (QuadReal), a wholly-owned company of BCI.
- 4) The Funding Program includes clients' investment liabilities achieved through government bond repurchase agreements and unsecured bond issuance.
- 5) 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.
- 6) 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.
- 7) 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.
- 8) Unless otherwise indicated, returns are time-weighted rates of return (TWRR) as at March 31, 2026. 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). The aggregate benchmark used to measure Combined Pension Plan performance represents a weighted combination of multiple indices as specified in the clients' SIPPs using actual client AUMs, where, for Private Equity, from January 1, 2023 onward, the MSCI ACWI Equal Weighted Country and Sector Neutral Index plus a risk premium is adopted, and for Real Estate Equity, from January 1, 2021 onward, the Custom MSCI Private Real Estate Equity Index is adopted. The aggregate benchmark is aligned with the valuation cycle of the asset classes.
- 9) An internal rate of return (IRR) methodology is used to calculate returns for Infrastructure & Renewable Resources, Private Equity, Real Estate Debt, and Real Estate Equity. The assets and benchmarks are as at December 31, 2025. Benchmarks are presented on a TWRR basis.
- 10) 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. From April 1, 2025, the Real Estate Equity program transitioned to the Measures of Success (MoS) framework, adopting the Custom MSCI Private Real Estate Equity Index as the Market Benchmark alongside the existing Cost-of-Capital benchmark (renamed as the Long-Term Benchmark).
- 11) Value-add is the additional return in dollars BCI generated for clients in excess of the Combined Pension Plan benchmarks through active investments, after all costs and fees.
- 12) 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.
- 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, 2026.
- 14) EDI Gender and Race & Ethnicity data reported is for Canadian and U.K. employees. Categories comprise:
 - a. Executive — Chief Executive Officer, Chief Operating 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 — Principal, Senior Advisors, Senior Associates, Engineers, Analysts, and Associates
 - d. Support — Senior Administrators, Senior Technicians, Assistants, Administrators, Technicians, Coordinators

Appendix V: Endnotes

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

- 1 Other strategies include cash and centralized currency management program.
- 2 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.
- 3 India is classified as an emerging market economy under the geographic aggregations found in this report.

Page 10 - CEO/CIO Letter

- 1 For results ending December 31, 2024. The peer median comprises nine Canadian pension peers.

Page 15 - Cost Benchmarking

- 1 For results ending December 31, 2024. The peer median comprises nine Canadian pension peers.

Page 17-20 - Asset Class Returns

- 1 Returns presented are for the Combined Pension Plan Clients.

Page 18 - Fixed Income

- 1 The values presented above do not reflect certain pooled funds held within other asset classes. As at March 31, 2026 this amounted to approximately \$2 billion in money market funds and \$15.6 billion in floating rate funds.
- 2 Other includes ETFs and mark-to-market of foreign exchange.

Page 22 - Private Debt

- 1 For funds where quarter-end data was not yet available, December 31, 2025 figures have been used.
- 2 Other includes materials, energy, utilities, and real estate.

Page 23-30 - Private Market Program Returns

- 1 An internal rate of return (IRR) methodology is used to calculate returns for Infrastructure & Renewable Resources, Private Equity, Real Estate Debt, and Real Estate Equity. The assets and benchmarks are as at December 31, 2025. Benchmarks are presented on a TWRR basis.

Page 26 - Private Equity

- 1 The increase in Emerging Markets and decrease in Asia weightings are due to the reclassification of China and South Korea from Asia to Emerging Markets, consistent with the MSCI framework. This represents a methodology change only and does not indicate a real shift in portfolio composition.

Page 28 - Real Estate Equity

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

Page 30 - Real Estate Debt

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

Page 32 - Environmental, Social, Governance

- 1 Engagement and proxy voting metrics reflect activity from January 1 to December 31, 2025. All other metrics in this section reflect BCI's fiscal year ending March 31, 2026.

Page 33 - Environmental, Social, Governance

- 1 Net Purpose is a global sustainable investment data platform that acquired the SDI Asset Owner Platform (SDI AOP) in October 2025, integrating its SDG classification methodology. BCI is a co-founder of SDI AOP and retains board representation at Net Purpose.

Page 43 - Employee Experience & Inclusion

- 1 Self-identification census data is reported as at March 31, 2026. Gender disclosure reflects data from all permanent employees. 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: Arab, Asian, Black, Indigenous, Jewish, Latin American, Pacific Islander, South Asian, Mixed, and/or Other.

Page 45 - Director Attendance

- 1 The HRGC's third meeting was held in April 2026 and is not included in the fiscal 2026 meeting count.
- 2 Tom Vincent was appointed as Chair of the Audit Committee effective April 6, 2025.
- 3 Geraldine Hutchings was appointed to the Audit Committee effective September 1, 2025.
- 4 Wendy Strugnell was appointed to the HRGC effective June 23, 2025.

Page 47 – Director Diversity

- 1 Race & Ethnicity disclosure reflects the voluntary self-identification of all Directors who selected one or more of the following Races/Ethnicities: Arab, Asian, Black, Indigenous, Jewish, Latin American, Pacific Islander, South Asian, Mixed, and/or Other.

Page 48 – Director Remuneration

- 1 Total remuneration includes remuneration paid to Gayle Gorrill and Weldon Cowan for fiscal 2026.
- 2 Includes remuneration for representing BCI at other meetings not listed in the table.
- 3 100% of the BCI Board meeting fees are paid to BC Ministry of Transportation and Transit.
- 4 50% of the BCI Board meeting fees are paid to BC General Employees Union.
- 5 100% of the remuneration is paid to WorkSafe.
- 6 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).

Page 50 – Human Resources and Governance Committee

- 1 The Human Resources and Governance Committee's third meeting covering the fourth quarter of fiscal 2026, was rescheduled and occurred on April 7, 2026.

Page 53 – Executive Compensation

- 1 The values of incentive payments are listed beside the performance year in which they were earned; actual disbursement occurs in the following fiscal year.
- 2 The incentive plan value reflects performance over a five and ten-year timeframe; actual disbursement occurs in the following fiscal year.
- 3 These values represent the contributions paid by BCI on behalf of the named individuals to the Public Service Pension Plan and the Canadian Pension Plan for Canadian based executive and to a 401(k) for US based executive.
- 4 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 employment standards where applicable.
- 5 Values in this table constitute the total compensation earned by or paid on behalf of the identified individuals. All values are inclusive.
- 6 Jon Salon assumed the role effective February 2, 2026.

Page 56 – Annual Climate-related Disclosures Strategy

- 1 Nationally Determined Contributions or NDCs, assume all existing national government pledged targets through UN Climate Change Conference of the Parties (COP) process are implemented.

Page 59 – Metrics and Targets

- 1 BCI's carbon-intensive investments are defined as the top 75 portfolio companies by financed emissions, subject to a minimum holdings threshold. Together, these companies represent approximately 69% of BCI's total financed emissions. This definition has been changed from investments representing 75% of BCI's total financed emissions in the previous reporting period. This new approach focuses on companies where BCI has significant emissions exposure, concentrating our stewardship resources where climate risk is most financially material to the portfolio (see report p. 33-34 for more details). Financed emissions are calculated using BCI's internal carbon footprint methodology informed by PCAF.
- 2 Maturity tier definitions: **Mature:** Company has a net-zero commitment, short- and long-term targets in place, and a credible strategy to achieve targets with evidence of implementation. **Aligning:** Company has set emissions reduction targets, which may include a net-zero commitment, and has a climate strategy but the path to achieve targets is still in development. **Emerging:** Company has set emission reduction targets but has limited details on climate strategy. **No Commitment:** Company has not set a net-zero commitment or emissions reduction targets.

Page 60 – Metrics and Targets

- 1 The results represent the measurement of the portfolio climate risk that could materialize by 2050 under a Below 2°C scenario relative to a Below 3°C (NDCs) scenario. Annual 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) and other data sets that provide additional insight on specific sector and regional assumptions that are updated as new information becomes available.
- 2 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. In 2025, SDI-AOP merged with Net Purpose.

Page 61 – BCI's Portfolio Carbon Footprint

- 1 Between 2020 and 2023, BCI measured the portfolio carbon footprint using a fiscal year-end portfolio position date. Starting in 2024, BCI conducted the measurement using a calendar year-end portfolio position date. This decision was done 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.
- 2 BCI's Portfolio Carbon Footprint follows BCI's internally developed carbon footprint methodology. Please see the methodology disclosure on page 63. Denominated in Canadian dollars.
- 3 BCI Financed Emissions follows BCI internally developed carbon footprint methodology. Please see the methodology disclosure on each asset class for details.
- 4 Values reported as at December 31, 2025.

Page 62 - Data Quality Score

- 1 There is a range of estimation techniques used by Trucost that are classified as data quality score 2.
- 2 Financial metrics used in estimates include revenue and market capitalization. Industry emission proxy is calculated based on Trucost data.
- 3 Industry emission proxy is calculated based on Trucost data. Score 5 is assigned mainly to fund investments where company financial metric, i.e., EV and EVIC, are unavailable.

Page 63 - BCI's Portfolio Carbon Footprint Methodology

- 1 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.
- 2 Company-specific financial information used to estimate the GHG intensity of portfolio companies where direct carbon data does not exist prioritizes revenue-based intensities first. If revenue is not available, market capitalization-based intensities may be used.
- 3 Market Value: Estimated fair value of BCI's portion of the investment valued in accordance with IFRS 13.
- 4 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. The market value related to the covered sovereign bonds is included in the coverage calculation.

Page 64 - Asset Class Methodologies

- 1 The most recent scope 1 and 2 emissions data available is used, however for public and private asset classes, GHG emissions data is predominantly lagged by one year due to data availability considerations.
- 2 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.

Page 65 - Total Portfolio Carbon Footprint

- 1 Covered investments: Investments that are in-scope and where GHG emissions are calculated for the associated market value.

Page 65 - BCI's Operational GHG Emissions

- 1 Data collected and provided for our buildings and facilities is reported on a calendar basis, while data from corporate travel is provided on a fiscal year basis.
- 2 Scope 3: Excluding Scope 3, Category 15: Investments.

Page 67 - Pooled Fund Benchmarks

- 1 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.
- 2 Hedged to the Canadian Dollar.
- 3 The Funding Program is a vehicle for passive implementation of leverage, benchmarks are established in a manner that upholds the passive mandate.
- 4 Private Market Funds Cost-of-Capital 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 ensure the benchmarks are adjusted to reflect the risk taken.
- 5 The Private Equity program benchmark consists of two components which are combined using actual weights: Private Equity Fund Investments are benchmarked to the MSCI ACWI plus a risk premium and Private Equity Direct/ Co-Investments are benchmarked to their Cost-of-Capital. From January 1, 2023 onward, for reporting purposes, the MSCI ACWI Equal Weighted Country and Sector Neutral Index plus a risk premium is adopted for Private Equity Fund Investments while the Private Equity Direct/ Co-Investments benchmarking remains unchanged.
- 6 Effective April 1, 2025, the BCI QuadReal Real Estate Equity Program adopted the Custom MSCI Private Real Estate Equity Index as a Market Benchmark alongside the existing Cost-of-Capital benchmark (renamed Long-Term Benchmark). The Custom MSCI Private Real Estate Equity Index comprises the MSCI Canada Annual Property Index with portfolio AUM greater than C\$5 billion, and the MSCI Property Index Regional Composite consisting of the United States, Europe including the U.K., and Australia. The historical Canada/Regional Composite allocation was established using actual weights; the index construction further incorporates leverage, cost of borrowing, taxes, currency hedging and fees.
- 7 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.

Financial Statements

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

Rechelle Effendy
Senior Vice President, Finance/
Chief Financial Officer

June 23, 2026



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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, 2026
- 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, 2026, 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.



- 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.

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Vancouver, Canada

June 23, 2026

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Consolidated Statement of Financial Position

(Expressed in thousands of dollars)

As at March 31, 2026, with comparative information for 2025

ASSETS	NOTES	2026	2025
Current assets:			
Cash and cash equivalents	4	202,189	\$ 198,680
Trade and other receivables		124,630	107,756
Prepaid expenses		14,836	16,662
Lease receivables	6(B)	187	—
Total current assets		341,842	323,098
Premises and equipment	7	106,554	109,367
Prepaid expenses		202	911
Lease receivables	6(B)	480	—
Total assets		\$ 449,078	\$ 433,376
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current Liabilities:			
Trade and other payables		\$ 69,302	\$ 72,836
Employee benefits	8	191,918	182,235
Term loan facility	9	2,216	2,162
Contract liabilities	10	13,154	15,962
Lease liabilities	6(A)	7,390	7,848
Total current liabilities		283,980	281,043
Trade and other payables		10,681	3,930
Employee benefits	8	54,933	50,024
Term loan facility	9	563	2,778
Lease liabilities	6(A)	98,921	95,601
Total non-current liabilities		165,098	152,333
Total liabilities		449,078	433,376
Shareholder's equity:			
Retained earnings		—	—
Total equity		—	—
Total liabilities and shareholder's equity		\$ 449,078	\$ 433,376
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, 2026, with comparative information for 2025

REVENUE	NOTES	2026	2025
Recoveries of costs	5	\$ 1,088,233	\$ 951,253
Investment income		7,153	6,781
		1,095,386	958,034
EXPENSES			
Internal:			
Salaries and benefits	5, 12	\$ 416,893	\$ 367,726
Information systems	5	61,653	53,642
Professional services		22,522	42,086
Office and business	5	17,363	17,210
Depreciation	7	13,855	12,578
Recruitment and training		8,741	9,601
Premises operations		6,393	8,002
Financing interest		3,744	3,641
External:			
Investment management	5	420,400	338,976
Professional services		118,761	97,911
Custodial		5,061	6,661
		1,095,386	958,034
Net income and comprehensive income		\$ —	\$ —

See accompanying notes to consolidated financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Consolidated Statement of Changes in Equity

(Expressed in thousands of dollars)

Year ended March 31, 2026, with comparative information for 2025

	RETAINED EARNINGS		TOTAL EQUITY	
Balance, March 31, 2024	\$	—	\$	—
Net income and comprehensive income		—		—
Balance, March 31, 2025		—		—
Net income and comprehensive income		—		—
Balance, March 31, 2026	\$	—	\$	—

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended March 31, 2026, with comparative information for 2025

	NOTES	2026	2025
Cash flows provided by (used in):			
Operations:			
Net income and comprehensive income		\$ —	\$ —
Items not involving cash:			
Depreciation		13,855	12,578
Investment Income		(7,153)	(6,781)
Impairment of right-of-use asset		650	—
Financing interest		3,744	3,641
		11,096	9,438
Changes in non-cash items:			
Trade and other receivables		(16,874)	(15,029)
Prepaid expenses		2,535	(3,922)
Lease receivables		(667)	—
Trade and other payables		3,217	22,084
Employee benefits		14,592	19,423
Contract liabilities		(2,808)	6,960
Net cash provided by operating activities		11,091	38,954
Investments:			
Premises and equipment additions		(1,481)	(5,060)
Net cash used in investing activities		(1,481)	(5,060)
Financing:			
Repayment of term loan facility		(2,161)	(2,109)
Interest paid on term loan facility		(102)	(155)
Investment income received		7,132	6,781
Interest paid on lease liabilities		(3,641)	(3,486)
Net repayment of lease liabilities		(7,329)	(5,657)
Net cash used in financing activities		(6,101)	(4,626)
Increase in cash and cash equivalents		3,509	29,268
Cash and cash equivalents, beginning of year		198,680	169,412
Cash and cash equivalents, end of year	4	\$ 202,189	\$ 198,680

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, 2026

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 net market value of assets managed by the Corporation as of March 31, 2026 was \$265 billion (2025 – \$252 billion). Of that, approximately \$209 billion (2025 – \$197 billion) is invested on behalf of pension funds and \$56 billion (2025 – \$55 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 23, 2026.

(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.

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.

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

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.

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, 2026

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, 2026

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 sell 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, 2026

(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, 2026

- 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, 2026

When the Corporation is a lessor, it determines at lease inception whether each lease is a finance lease or an 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 fund 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 in which 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, 2026

(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, 2026

(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: IFRS 18, Presentation and Disclosure in Financial Statements, 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.

4. CASH AND CASH EQUIVALENTS

2026

CURRENCY	CASH	SHORT TERM MONEY MARKET INSTRUMENTS	TOTAL CASH AND CASH EQUIVALENTS
Canadian dollars	27,947	76,592	104,539
United States dollars	46,834	45,854	92,688
British pounds	4,199	—	4,199
Other currencies	763	—	763
	79,743	122,446	202,189

2025

CURRENCY	CASH	SHORT TERM MONEY MARKET INSTRUMENTS	TOTAL CASH AND CASH EQUIVALENTS
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

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

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.

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	2026	2025
Recoveries of costs	\$ —	\$ 677
Salaries and benefits	5,871	5,130
Information systems	1,097	922
Office and business	54	75
Balances		
Trade and other payables	(154)	(175)

Pension Plans: The Corporation is related to the College, Municipal, Public Service and Teachers' pension plans. The pension plan boards appoint members to the Corporation's board and the Corporation 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 British Columbia. 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.

During the year, the Corporation received \$174 (2025 – \$1,040) in recoveries of costs from British Columbia Pension Corporation.

QuadReal Property Group Limited Partnership ("QuadReal LP"): QuadReal LP provides asset management, property management, and investment advisory services to the Corporation in relation to real estate and real estate debt pooled investment portfolios. The Corporation provides administrative services to QuadReal LP on a cost recovery basis. The Corporation leases office space in Victoria and Vancouver, BC from QuadReal LP under two arm's length lease agreements, 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:

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

Transactions	2026	2025
Recoveries of costs	\$ 37,757	\$ 36,552
Investment management	371,247	299,732
Balances		
Trade and other receivables	7,237	9,850
Right of use assets - buildings	5,157	5,751
Lease liabilities	5,814	6,212

BCI United Kingdom (UK) Investment Entities: The Corporation has two UK investment entities, BCI UK IRR Limited, incorporated in 2022, and BCI 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 \$5,014 (2025 - \$3,216) with BCI UK IRR Limited and \$8,374 (2025 - \$3,171) 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, consisting of the Corporation's five named executive officers:

	2026	2025
Base salary	\$ 4,571	\$ 4,609
Annual incentive plan	10,895	10,052
Long-term incentive plan	9,373	10,189
Other short-term benefits	1,244	1,165
Post-employment benefits - pension contributions	430	454
	\$ 26,513	\$ 26,469

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.

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

Subsequent to the execution of the lease, bcIMC Realty Corporation, which is wholly-owned through a pooled investment portfolio managed by the Corporation, invested in the development project, becoming a 50% co-owner. 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.

During the year ended March 31, 2024, the Corporation entered into two lease agreements to rent office space in Victoria and Vancouver, BC. The leases are with a related party (QuadReal LP), which are discussed in more detail in Note 5. 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.

During the year ended March 31, 2026, the Corporation entered into a lease agreement for office space in London, United Kingdom, with an initial term of ten years and no renewal option.

The Corporation discounted lease payments related to the office leases using the incremental borrowing rate determined for each lease. At March 31, 2026, the discount rates applied ranged from approximately 2.7% to 6.5% (2025 – 2.7% to 6.5%).

Continuity of liabilities arising from leases:

	2026	2025
Balance, beginning of year	\$ 103,449	\$ 111,142
Additions	10,208	—
Payments	(7,346)	(7,693)
Balance, end of year	106,311	103,449
Current portion	7,390	7,848
Non-current portion	98,921	95,601

Lease liabilities are payable as follows:

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

	2026	2025
Less than 1 year	\$ 10,891	\$ 10,667
Between 1 and 5 years	55,176	42,054
More than 5 years	59,653	69,931
Total undiscounted lease liabilities	125,720	122,652
Less future interest expense	(19,409)	(19,203)
Total lease liabilities	\$ 106,311	\$ 103,449

During the year ended March 31, 2026, the Corporation recognized \$3,641 (2025 - \$3,486) of interest expense related to lease liabilities.

(B) LEASES AS A LESSOR: During the year ended March 31, 2026, the Corporation entered into a finance sublease of its former Vancouver, BC office space. The sublease has been classified as a finance sublease under IFRS 16, resulting in the derecognition of the associated right-of-use asset and the recognition of a net investment in sublease. In connection with this transaction, the Corporation recognized an impairment loss of \$650 on the right-of-use asset, reflecting a decline in its recoverable amount. The Corporation discounted lease payments receivable from the Vancouver sub-lease using the interest rate implicit in the lease of 3.706%.

Continuity of receivables arising from sub-leases:

	2026	2025
Balance, beginning of year	—	\$ 2,036
Additions	684	—
Payments	(17)	(2,036)
Balance, end of year	667	—
Current portion	187	—
Non-current portion	\$ 480	\$ —

Sub-lease assets are receivable as follows:

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

	2026	2025
Less than 1 year	\$ 208	\$ —
Between 1 and 5 years	501	\$ —
Total undiscounted lease receivables	709	\$ —
Less unearned interest income	(42)	—
Total lease receivables	\$ 667	\$ —

During the year ended March 31, 2026, the Corporation recognized \$21 (2025 – \$20) 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, 2026

7. PREMISES AND EQUIPMENT

	FURNITURE AND EQUIPMENT	COMPUTERS AND RELATED SOFTWARE	LEASEHOLD IMPROVEMENTS	RIGHT-OF USE ASSETS - BUILDINGS	TOTAL
Cost:					
Balance, April 1, 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
Additions	277	118	1,086	10,757	12,238
Impairment	—	—	—	(650)	(650)
Disposal	—	—	—	(2,517)	(2,517)
Transfers	158	611	(769)	—	—
Balance, March 31, 2026	\$ 8,040	\$ 11,582	\$ 31,196	\$ 135,575	\$ 186,393
Accumulated depreciation:					
Balance, April 1, 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
Depreciation for the year	730	895	2,847	9,383	13,855
Disposal	—	—	—	(1,971)	(1,971)
Transfers	(26)	(189)	215	—	—
Balance, March 31, 2026	\$ 5,213	\$ 10,317	\$ 18,485	\$ 45,824	\$ 79,839
Carrying amounts:					
March 31, 2025	\$ 3,096	\$ 1,242	\$ 15,456	\$ 89,573	\$ 109,367
March 31, 2026	\$ 2,827	\$ 1,265	\$ 12,711	\$ 89,751	\$ 106,554

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

8. EMPLOYEE BENEFITS

CURRENT:

	2026	2025
Employee benefits	\$ 14,380	\$ 11,404
Annual incentive plan	120,400	113,531
Long term incentive plan	56,920	57,097
Long service retiring allowance	218	203
	\$ 191,918	\$ 182,235

NON-CURRENT:

	2026	2025
Long term incentive plan	\$ 54,299	\$ 49,382
Long service retiring allowance	634	642
	\$ 54,933	\$ 50,024

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, 2026, the fair value of the term loan facility is \$2,743 (2025 – \$4,865). 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:

	2026	2025
Carrying amount, beginning of year	\$ 4,940	\$ 7,049
Repayment	(2,161)	(2,109)
Carrying amount, end of year	2,779	4,940
Current portion	2,216	2,162
Non-current portion	563	2,778

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

10. CONTRACT LIABILITIES

	2026	2025
Balance, beginning of year	\$ 15,962	\$ 9,002
Net change in performance obligations during the period	(2,808)	6,960
Balance, end of year	\$ 13,154	\$ 15,962

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:

	2026	2025
Less than 1 year	\$ 6,753	\$ 6,446
Between 1 and 5 years	29,574	26,815
More than 5 years	50,567	56,102
	\$ 86,894	\$ 89,363

The Corporation subleased its former Vancouver office space from March 2026 to August 2029, which resulted in the following net future payments for operating costs:

2026	GROSS	ASSIGNED	NET
Less than 1 year	\$ 6,753	\$ 1,731	\$ 5,022
Between 1 and 5 years	29,574	5,510	24,064
More than 5 years	50,567	—	50,567
	\$ 86,894	\$ 7,241	\$ 79,653

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

Notes to Consolidated Financial Statements

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

Year ended March 31, 2026

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:

	2026	2025
Less than 1 year	\$ 22,862	\$ 18,961
Between 1 and 5 years	26,268	19,459
More than 5 years	1,319	—
	\$ 50,449	\$ 38,420

12. SALARIES AND BENEFITS

	2026	2025
Salaries	\$ 186,575	\$ 158,757
Annual incentive plan	125,905	115,941
Long term incentive plan	64,420	58,101
Benefits:		
Health	13,725	\$ 11,516
Pension	13,993	\$ 13,034
Insurance and other	12,275	\$ 10,377
	\$ 416,893	\$ 367,726

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, 2026

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 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, 2026

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

MARCH 31, 2026	WITHIN 1 YEAR		1 TO 5 YEARS	5 TO 10 YEARS		OVER 10 YEARS	TOTAL
Trade and other payables	\$	69,302	\$	10,681	\$	—	\$ 79,983
Employee benefits		14,380		—		—	14,380
AIP / LTIP		177,320		54,299		—	231,619
LSRA		218		346		53	852
Term loan facility		2,216		563		—	2,779
	\$	263,436	\$	65,889	\$	53	\$ 235
							\$ 329,613

MARCH 31, 2025	WITHIN 1 YEAR		1 TO 5 YEARS	5 TO 10 YEARS		OVER 10 YEARS	TOTAL
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	845
Term loan facility		2,162		2,778		—	4,940
	\$	257,233	\$	56,441	\$	87	\$ 204
							\$ 313,965

(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 \$4,683 (2025 - \$4,568).

(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, 2026

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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