INVESTING RESPONSIBLY FOR RESULTS

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Corporate Annual Report

2015–2016

Contents

About bcIMC

With $121.9 billion of managed assets, the British Columbia Investment Management Corporation (bcIMC) is one of Canada's largest institutional investors within the global capital markets. We offer our public sector clients responsible investment programs across a range of asset classes: fixed income; mortgages; public and private equity; real estate; infrastructure; renewable resources; and long-term strategic themes. Our investments provide the returns that secure our clients' future payments and obligations.

2015–2016 Investment Highlights

Returned -0.2% against a one-year combined benchmark of **-0.3%**

Returned 9.4% (annualized) against a four-year combined benchmark of **8.0%**

Returned 6.6% (annualized) against a ten-year combined benchmark of **5.9%**

Added **$133 million** to British Columbia public sector pension plans in a year of low returns

$6.1 billion in added value over the ten-year period to British Columbia public sector pension plans

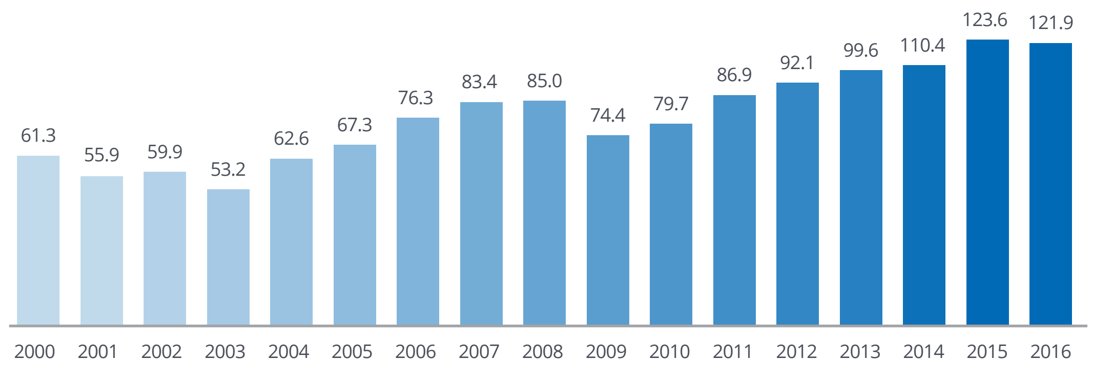
Net assets were **$121.9 billion** compared to **$123.6 billion** at the end of fiscal year 2015

Infrastructure, Mortgages, Private Equities, and **Real Estate** offset low returns from Public Markets

bcIMC at a Glance

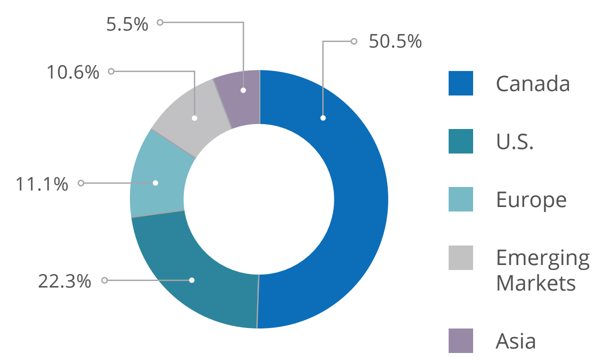
TOTAL NET ASSETS UNDER MANAGEMENT ($ billion)

For the year ended March 31



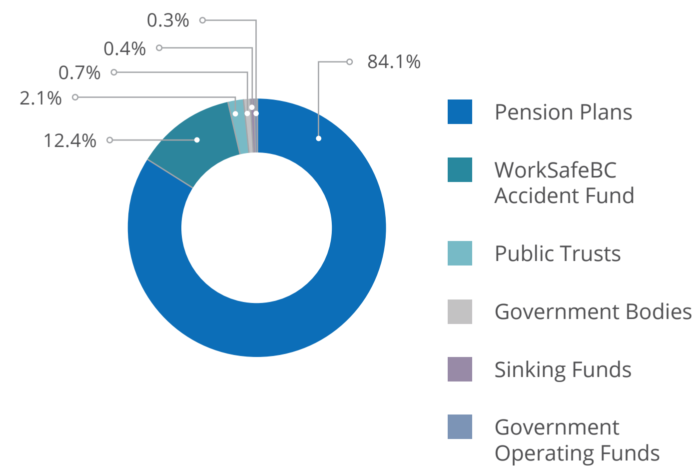
REGIONAL ALLOCATION OF ASSETS UNDER MANAGEMENT[1]

As at March 31, 2016



CLIENT PROFILE

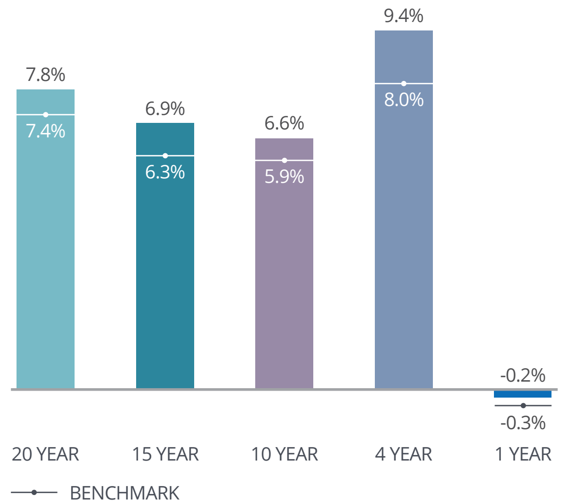
As at March 31, 2016[1]



[1] Percentages based on net assets

bcIMC ANNUALIZED PENSION RETURNS

Returns for the periods ended March 31, 2016[1]



[1] Balanced portfolio returns are shown net of fees

CUMULATIVE VALUE ADDED BY bcIMC ($ billion)

Total pension portfolio return minus benchmark return for the periods ended March 31, 2016

ASSETS UNDER MANAGEMENT

For the year ended March 31, 2016 (by asset class)

	$ BILLION	%
Public Equities	57.9	47.5
Fixed Income	26.3	21.4
Real Estate	17.5	14.4
Infrastructure	7.1	5.9
Private Equities	6.8	5.6
Mortgages	2.8	2.3
Other Strategies — All Weather	1.8	1.5
Renewable Resources	1.7	1.4
Net Assets Under Management	**121.9**	**100.0**

Message from the Chair

We are building a strong foundation for managing the next $100 billion.

The Board has spent the majority of its time in the past year overseeing management's implementation of a three-year strategy to position bcIMC to manage $200 billion within the next decade.

In his letter in the 2014–2015 annual report, Gordon Fyfe discussed a three-year business plan that mapped out bcIMC's future initiatives. It outlined three strategic focus areas — enhancing investment strategies, internalizing asset management, and rebuilding bcIMC's base. The Board's role is to ensure management has the resources available and the systems and controls in place to successfully implement this plan to meet our clients' objectives.

The main initiatives in the plan are to increase the company's capacity to deliver alternative products requested by clients and to reduce fees by doing more investment management in-house rather than contracting out these services. The objective of these initiatives is to increase client returns. With management's business plan for bcIMC to become increasingly more of an active investor, the Board understands the importance of building a strong team of professionals to contribute to the breadth and depth of the existing teams and operations. To continue delivering value-added returns in an increasingly complex investment environment, we need a greater alignment of pay-for-performance within bcIMC. Investing is a skill-based activity and returns are important to our clients — for every $100 a pension plan member receives in retirement benefits, on average $75 is provided by bcIMC's investment activity. It is critical for bcIMC to attract and retain the skills required to develop new investment strategies and manage $200 billion. These actions, however, require a significant increase in staff and skill sets that cannot be accomplished within the current incentive plan.

The Board has completed the first phase of a two-year review of our incentive plans for investment professionals. The Board retained the services of Tim Dillon and Associates (TDA) to review bcIMC's compensation plan with a view to making it competitive within the market in order to achieve our recruitment objectives and to provide alignment between performance pay and value-added to the fund. TDA is highly regarded in the British Columbia consulting industry and they enlisted Gallagher McDowall Associates to provide additional expertise on incentive compensation. The Board shared the results of this review with our clients. The revised incentive structure, in our view, will create a stronger alignment between performance pay and the value added to the fund and, in turn we will be equipping bcIMC with the skills to put our future business plans into action.

The Board again wishes to acknowledge the efforts of bcIMC's talented professionals for their strong support and commitment during the past year. Despite a rapidly changing business environment, they never lost their focus on bcIMC's mandate and vision.

I would like to wrap up my message this year by thanking my fellow Board members for their commitment and dedication throughout the compensation review process and their continued work on the review over the upcoming year. They also played an important role in working alongside Gordon as he transitioned into his new position. We were fortunate this year that experienced Board members were reappointed. This was important to have maintained a Board that knows bcIMC's history and understands both our direction going forward and the company's responsibilities to our clients. At the forefront of our vision are the clients and I would also like to thank them for their continued support.

Rick Mahler

Chair of the bcIMC Board of Directors

Report from the CEO/CIO

Transforming to stay successful

bcIMC continued to provide value-added performance during a year of market volatility and high competition for quality assets. Despite a challenging year for investors, our investment activities generated $133 million in additional value for our pension clients. Over the longer term, our clients' combined pension return was 9.4 per cent against a four-year benchmark of 8.0 per cent, adding $4.7 billion in value.

To continue delivering the results our clients expect, bcIMC is moving forward with a solid plan to take on more complex investment strategies within this increasingly challenging return environment. As the fifth largest pension fund manager in Canada and the thirty-fifth largest globally, we are positioning ourselves to manage over $200 billion within the next decade. We realize this will take time; however, fiscal 2016 was a strong start to accomplishing our long-term goals.

Putting bcIMC's business plan into action

Last year, I discussed our three-year business plan which focuses on three core objectives: rebuilding our base, enhancing our investment strategies, and internalizing our asset management. These objectives are our overarching strategic priorities and will continue to be so in the near future.

REBUILDING OUR BASE We are investing in bcIMC to ensure the skills and systems are in place to pursue the types of assets and strategies required to meet our clients' financial objectives. With that said management spent time developing our existing talent and added 76 new positions across the areas of risk management, investment management, operations, finance, and information technology.

In order to attract and retain skilled professionals for managing more assets in-house, bcIMC must be able to offer competitive compensation packages; therefore, we fully supported the Board's decision to move up the compensation review by one year. Management is working with the Board and completed the first of a two-year rigorous and in-depth review process.

bcIMC also assessed the structure of several departments to maximize our investment management capabilities. In response to increased exposure to illiquid assets and larger direct investments, we felt it was prudent to divide our existing private markets program into two distinct departments — one for private equity and one for infrastructure and renewable resources. With this re-structuring, bcIMC welcomed Jim Pittman to lead the established private equity department. Jim brings significant direct investment experience and strong global relationships.

Lincoln Webb continues to lead and manage our infrastructure and renewable resources programs. Our team will build on the existing infrastructure portfolio as these assets align with our long-term investment horizon, provide strong long-term cash flows, and allow for more opportunities for direct investments. As one of the largest global infrastructure investors, bcIMC can write bigger cheques to compete for these highly sought after assets. Our focus continues to be on investing in more real assets and provide ongoing oversight once the deals are completed.

We are operating in an evolving and complex investment landscape faced with increasingly sophisticated risks. As such, bcIMC embarked on a multi-year initiative to enhance our investment risk management and bolster how we analyze, report, and capitalize on investment risk.

Our focus for the first year included establishing the approach, governance framework, and foundation of a team. Over the next few years, we will continue to build up a robust team that has the economic, quantitative, and analytical skills to conduct deep technical assessments of assets and strategies. With the depth and breadth of skills and experience, and support from the appropriate systems, our investment risk team will work closely with our portfolio managers and clients. As the decision makers, this will help them use risk more efficiently and ultimately improve returns. This new capability will contribute to an enhanced understanding of the aggregate investment risk across bcIMC's total fund.

ENHANCING OUR INVESTMENT STRATEGIES To ensure our activities maximize client returns, our business plan sets forth an initiative to enhance investment strategies and capitalize on the current marketplace. A primary means to accomplish this involves increasing our global footprint. To that end, I have placed a priority on building relationships and seeking out global opportunities that align with our plans to increase our direct investments.

During the year, our mortgages group developed a strategy and approach to diversify the portfolio by expanding into the U.S market. We believe there is opportunity in this space over the next few years to capitalize on mortgage reset renewals resulting from the global financial crisis.

bcIMC invests substantial time and due diligence to enhance strategies and expand product lines. This year we funded our High Yield Bond Fund, which launched last year, to offer clients further portfolio diversification and provide the potential for equity-like returns with bond-like volatility. These initiatives are researched, planned, and executed with our clients' best financial interests in mind.

INTERNALIZING OUR ASSET MANAGEMENT bcIMC plans to increase client returns by bringing more asset management in-house — specifically as it relates to our private markets and public equities. By doing so we will have greater control over several aspects of our investments, including better alignment of investment and ownership interests; more direct interactions with companies within our portfolio; greater control over costs; and enhanced oversight on environmental, social, and governance matters.

A significant initiative in the coming fiscal year involves consolidating the management of our real estate portfolio — both domestic and global. By establishing a scalable property management platform, bcIMC will be positioned to expand and manage our growing real estate portfolio. It will provide enhanced alignment of interests, greater operational efficiencies, and savings in third-party and asset management fees.

Our knowledge is one of our strongest competitive advantages. We are building up our team of investment professionals to actively manage more assets in-house. Although increasing our bench strength will increase internal costs, it will significantly lower external manager fees and provide greater control over costs. We will achieve a much more cost-effective way of managing our investments in the long run.

Staying the course

To be a market leader in our industry, we must be able to adapt and grow. Similar to our long-term investment strategy, bcIMC is transforming with the same level of patience — this ensures we are growing at a pace we can manage. During a year of change, our commitment to our clients for generating value-added returns remained intact.

In closing, I want to thank the Board and our clients for their continued support during this past year. I would also like to extend my appreciation to our staff — who embraced bcIMC's new direction. I am pleased with our progress; but as this is a multi-year undertaking, there is much more work to be done.

Gordon J. Fyfe

Chief Executive Officer / Chief Investment Officer

Management's Discussion and Analysis

bcIMC in Brief

OUR MANDATE bcIMC provides investment management services to British Columbia's public sector. Our mandate is to invest the funds not currently required by our clients to pay pensions and other benefits. As their investment manager, bcIMC is responsible for growing long-term client wealth while also protecting the value of their funds. We offer investment products across a wide range of asset classes, including strategic investment themes.

OUR INVESTMENT DISCIPLINE We are legally and contractually required to invest our clients' funds in their best financial interest — that is our fiduciary responsibility.

We follow a discipline of investing for the long-term, utilizing the size of the assets under management to our advantage. Maintaining our discipline, while focusing on due diligence and diversification allows us to manage market risks. bcIMC's objective is to invest in assets that provide reliable cash flows and will appreciate in value over the long term.

bcIMC brings more than capital to our investments. Our clients share our belief that responsible investing allows us to manage material environmental, social, and governance risks and improve long-term returns. We expect our portfolio companies to create long-term value and focus on stewardship.

As skills matter, we select best-in-class investment managers and business partners.

OUR INVESTMENT FUNDS Our product line is diversified by asset class, region, and style. Like a mutual fund, the pooled fund combines our clients' contributions and is then invested in securities and other assets. This structure provides economies of scale, allowing clients to obtain a more diversified portfolio at a lower cost than would investing individually. bcIMC holds all assets in trust; clients do not own the individual assets within bcIMC's investment portfolios.

Investing is an intrinsically dynamic activity. As capital markets evolve, we adapt our product line to ensure clients benefit from new investment opportunities. This year we wound down the Enhanced Indexed U.S. Equity Fund and bcIMC's Board approved investment policies for two new funds:

- The Floating Rate Funds are a series of pools that allow participating funds to earn a floating rate return linked to benchmark reference rates. These funds are required to manage collateral and generally support the use of derivative products.
- The U.S. Mortgage Opportunity Fund is an actively managed fund that invests directly in mortgage funds and mortgages with terms to maturity of up to 10 years. They provide exposure to U.S. dollar denominated investments and offer fixed term or construction financing for multi-family residences, office, retail, hotels, industrial buildings and land development. The fund is benchmarked against Bank of America Merrill Lynch U.S. Treasuries (1–10) Year Index + 3 per cent over a four year moving average.

REASONABLE OPERATING COSTS bcIMC focuses on providing quality service to our clients at a reasonable cost. We operate on a cost-recovery model and do not receive subsidies or financial aid from any third party. We are accountable to our clients for the costs involved in managing their funds.

Cost advantages arise from economies of scale provided by managing $121.9 billion, pooling assets, and managing 58.7 per cent of assets in-house. We are increasing our in-house asset management so as to minimize the fees paid to external managers.

The types of assets under management, changes to asset mix, and the specific investment strategy can affect our costs and client fees. This year our operating costs were $290.4 million or 23.7 cents per $100 of assets under management (2014–2015: $249.1 million or 21.3 cents per $100).

Our Clients

bcIMC began operations under the *Public Sector Pension Plans Act* in 2000 in order to provide investment services to British Columbia's public sector. Our clients are not mandated to use bcIMC and have voluntarily chosen bcIMC as their investment manager.

Our largest client group, the public sector pension plans, make up approximately 84.1 per cent of the assets. Our investment activities help our clients secure the pensions of more than 538,000 plan members. Clients establish the investment framework and set the performance targets for their pension fund. They determine the asset allocation framework and the diversification of the portfolio. Some plans take greater market and liquidity risk to enhance long-term returns. Returns are important — for every $100 a pension plan member receives in retirement benefits, on average $75 is provided by bcIMC's investment activity.

Government bodies account for 13.1 per cent of our assets. We help finance the insurance and benefit funds for over 2.3 million workers in British Columbia. Publicly administered trust funds comprise 2.1 per cent of our assets. Some of these clients prioritize capital protection, while others look for liquidity and short-term performance. Sinking and government operating funds represent 0.7 per cent of our managed assets.

We invest in line with our clients' investment frameworks and policies, as well as applicable legislation and regulations. bcIMC is accountable to clients for both fund performance and management fees. We operate on a cost-recovery model. bcIMC's costs are not subsidized by the Province of British Columbia.

We focus on understanding our clients' different investment needs — whether managing pension funds on behalf of plan trustees, growing capital reserves for insurance funds, or generating income for trust funds. This includes learning about their risk and return objectives, liability profile and liquidity needs, and their investment horizon. bcIMC assists with developing strategies that take into account our clients' investment objective, risk appetite, and investment beliefs.

Meeting clients' needs extends beyond putting their funds to work. A dedicated team works closely with trustees to expand their knowledge and understanding of capital markets. bcIMC offers our major clients educational sessions that include webinars, orientation programs, multi-day training sessions, as well as an annual conference.

OUR VISION We will be the responsible fund manager of choice for the British Columbia public sector, at the forefront of the industry and consistently exceeding the performance and service expectations of our clients.

OUR MISSION We are accountable to our clients to provide professional fund management for all asset classes, exercising the highest standards of prudence and fiduciary responsibility. We deliver to our clients the highest return for a given level of risk, at a reasonable cost, while recognizing our responsibility to the broader society through our governance, social and environmental related activities.

OUR VALUES We live and embrace the values of accountability, transparency, integrity, and team cohesiveness.

2015–2016 Key Corporate Accomplishments

Rebuilding bcIMC's Base

- Hired 76 permanent staff across areas such as portfolio management, asset management, risk management, information technology, investment operations, and finance to support business plan
- Board completed the first of a two-year extensive compensation review
- Delivered 490 days of internal training
- Formalized a new mandate and governance framework for investment risk

Enhance Investment Strategies

- Board approved pooled fund policies for two new funds — U.S. Mortgage Opportunity Fund and Floating Rate Funds
- Launched and funded our High Yield Bond Fund, which was approved in Fiscal 2015
- Amended nominal benchmark from 8.0 per cent to 7.0 per cent for Infrastructure program to allow for expanded universe of investment opportunities

Internalize Asset Management

Committed about $3.7 billion in new capital to private markets, of which:

- Approximately $1.1 billion in direct investments within our infrastructure program
- Approximately $730 million in direct investments within our private equities portfolio

2016–2017 Key Corporate Objectives

Rebuilding bcIMC's Base

- Continue building bench strength across portfolio management, asset management, risk management, information technology, investment operations, and finance
- Further strengthen investment risk capabilities — including establishing an integrated enterprise data management function
- Update and enhance systems and infrastructure — including investment accounting systems and custodian management

Enhance Investment Strategies

- Conduct ongoing reviews of existing investment strategies — focusing on optimizing client returns
- Expand bcIMC's global footprint

Internalize Asset Management

- Consolidate management of real estate portfolio and begin transitioning property management responsibilities to a privately held platform company
- Increase internal management of bcIMC's actively managed public equity funds
- Continue adding principal investments to private equity portfolio

Capital Markets Overview

It was a challenging year for capital markets. A number of geopolitical events, low oil and commodity prices, further monetary easing by some central banks, weaker than expected economic activity, and perceived missteps by Chinese policy makers led to a weak and volatile market environment.

Global real GDP, hurt in part by China's transition from an investment and export led economy to a slower, more stable consumer led economy, grew about 3.1 per cent in 2015. Growth in developed economies disappointed, as they dealt with the debt overhang from the financial crisis. Emerging economies saw mixed results, with those dependent on commodity exports affected by lower prices and demand.

Weak oil prices dominated headlines and negatively impacted capital markets, particularly in Canada. Global supply remained elevated as the U.S. and Saudi Arabia maintained high production levels in the face of weaker demand. Oil prices were also weighed down by an agreement to end sanctions in Iran, increasing oil supplies going forward.

In Europe, the ongoing Greek crisis led to a showdown with its European debtors. A referendum against continued austerity resulted in new elections, capitulation by the Greek government, further austerity, and a new deal that kicked the Greek debt problem further down the road. Against this backdrop, the European recovery struggled to find solid ground. The European Central Bank expanded monetary easing, taking some interest rates further into negative territory in March 2016 in an attempt to boost lending, growth, and inflation.

Global equity markets sold off in August, as the Chinese government attempted to stabilize domestic equity markets fueled by margin borrowing by investors, and surprised markets with a devaluation of the currency against the U.S. dollar. In January 2016, the global sell-off renewed, as the Chinese government's introduction of circuit-breakers to limit trading in down markets back-fired, creating more volatility and growing fears about the government's ability to manage the economy.

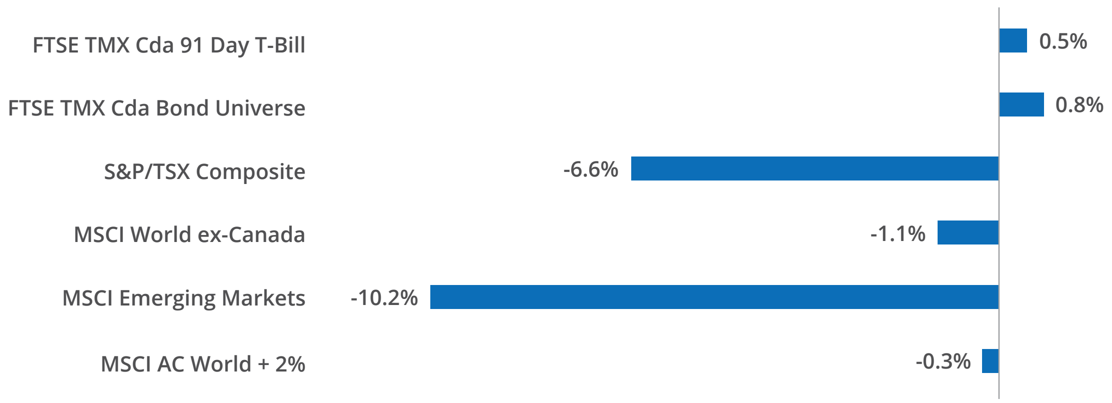
Outside of Canada, global developed equity markets declined 1.1 per cent in fiscal 2016, while emerging markets declined 10.2 per cent.

Fixed income and currency markets were challenged by an environment of uncertainty, while many central banks lowered interest rates and furthered easy monetary conditions. Markets awaited the anticipated U.S. Federal Reserve rate hike, which finally came in December. Short-term Canadian treasuries returned 0.5 per cent, while the broader FTSE TMX Canada Universe Bond Index returned 0.8 per cent for the year.

Despite this volatility, extremely low interest rates and high demand for private market assets such as infrastructure and real estate led to a highly competitive environment for investors. As well, global mergers and acquisitions continued at a strong pace, as low financing costs, sizable cash positions, and tax strategies drove several high-profile deals.

CAPITAL MARKET INDEX RETURNS[1]

April 1, 2015–March 31, 2016

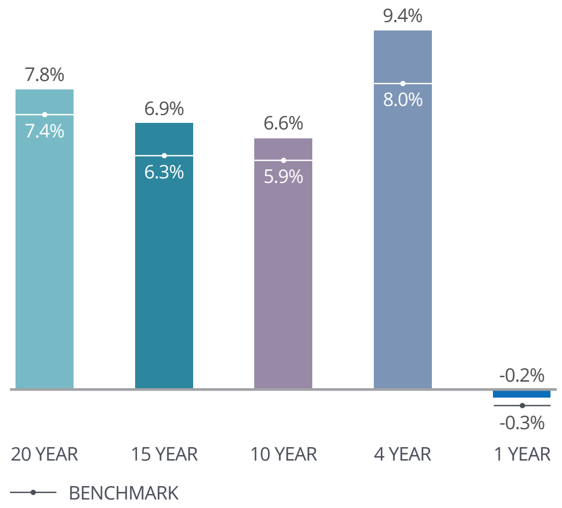


[1] Index returns correspond to client benchmarks. They are on a fiscal year basis and in Canadian dollar terms. All index returns are total return, including dividend re-investment and net of withholding taxes where applicable. Source: FactSet, FTSE TMX Canada, S&P/TSX, MSCI

Investment Returns

bcIMC ANNUALIZED PENSION RETURNS

Returns for the periods ended March 31, 2016[1]



CUMULATIVE VALUE ADDED BY bcIMC ($ billion)

Total pension portfolio return minus benchmark return for the periods ended March 31, 2016

[1] Balanced portfolio returns are shown net of fees

Fiscal 2015–2016 was a challenging year for investors. However, within this low return environment, bcIMC's investment activities generated $133 million in additional value for our pension clients. For the one-year period ending March 31, 2016, our clients' combined pension return was (0.2) per cent against a combined market benchmark of (0.3) per cent.

Strong performance within private markets and real estate drove value-added returns. Relative outperformance within the public equity markets, especially Canadian equities and emerging markets; as well as outperformance within our mortgages program also contributed to investment returns.

As pension plans have long-term financial obligations, we focus on generating long-term client wealth while protecting the value of the funds. Returns are important — for every $100 a pension plan member receives in retirement benefits, on average $75 is provided by bcIMC's investment activity. Over the four-year period, the annualized return was 9.4 per cent against a benchmark of 8.0 per cent, adding $4.7 billion in value. For the 10-year period, the annualized return was 6.6 per cent against a benchmark of 5.9 per cent. bcIMC added almost $6.1 billion in value over this period.

Return Summary for the Combined Pension Plan Clients[1]

	ANNUALIZED RETURNS %					
ASSET CLASS[2]	15 YEAR	10 YEAR	5 YEAR	4 YEAR	1 YEAR	1 YEAR VALUE-ADDED[3] ($M)
Fixed Income						
Short-Term	3.2	2.8	2.0	1.6	0.8	15.3
Benchmark	2.3	1.7	0.9	0.9	0.5	
Nominal Bonds	6.2	5.5	5.4	4.2	0.6	(24.9)
Benchmark	5.9	5.2	5.2	4.0	0.8	
Real Return Bonds	6.9	4.9	4.2	1.5	-2.1	5.0
Benchmark	7.2	4.9	4.6	1.8	-2.2	
Mortgages	6.2	5.8	5.1	4.8	3.2	21.7
Benchmark	5.0	4.6	3.6	3.2	2.0	
Other Strategies — All Weather					-5.9	(228.6)
Benchmark					8.8	
Public Equities						
Canadian Public Equity	7.2	4.4	2.8	6.1	-5.9	92.0
Benchmark	6.5	3.9	1.9	5.2	-6.6	
Global Public Equity	4.6	5.6	13.0	15.3	-2.0	(280.6)
Benchmark	4.7	6.1	13.2	15.6	-1.2	
Emerging Markets Public Equity			3.9	5.5	-8.2	194.8
Benchmark			1.5	3.5	-10.2	
Private Equities[4]	8.9	12.6	17.9	20.4	25.5	–
Benchmark	14.4	14.1	15.4	20.6	19.1	
Infrastructure[4]		11.2	11.6	10.6	11.5	–
Benchmark		8.0	8.0	8.0	8.0	
Renewable Resources[4]					6.7	–
Benchmark					7.0	
Real Estate						
Domestic Real Estate	9.6	8.7	9.5	7.9	5.3	–
Benchmark	5.9	5.7	5.4	5.3	5.3	
Global Real Estate[4]	5.0	5.0	10.4	11.5	17.6	–
Benchmark	8.6	8.3	7.9	7.5	7.0	

Except as otherwise indicated, returns are time-weighted rates of return as at March 31, 2016. All returns are net of fees.

[1] The Combined Pension Plan Client reflects the investments of bcIMC'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

[2] Investments are reported by asset class category as set out in the clients' Statement of Investment Policies & Procedures (SIPP). Asset class benchmarks represent a weighted combination of multiple indices as specified in the clients' SIPP. The indices may vary over time

[3] Value-added is calculated as the daily excess return multiplied by the daily opening market value, as such it is reported for Public Market assets only

[4] The internal rate of return methodology is used to calculate returns for Private Equity, Infrastructure, Renewable Resources, and Global Real Estate. The returns and benchmarks for these assets are as at December 31, 2015

Fixed Income

Offering clients a variety of fixed income investment strategies

Total assets are $26.3 billion

PERFORMANCE ANALYSIS Global inflation remained below target rates causing central banks to continue with their easy monetary policies. The European Central Bank expanded their Quantative Easing Program and the Bank of Canada cut their overnight lending rate to 0.5 per cent. Slow growth, low inflation, and easy monetary policies caused a number of bond markets to fall into negative territory.

The Canadian bond market ended the year mostly unchanged, resulting in very modest returns for Canadian fixed income investments. The rapid decline in the price of oil was a major driver of the fall of the Canadian dollar against most other developed market currencies including the U.S. dollar, the euro, the British pound, and the Japanese yen.

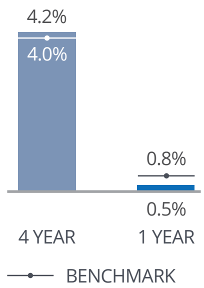
The low central bank rates created low returns for money market funds. Our Short-Term Fund One, which invests in Canadian government debt securities, returned 0.6 per cent against a one-year benchmark of 0.5 per cent. Our Short-Term Fund Two, which holds Canadian federal, provincial, and municipal debt as well as corporate debt, returned 0.8 per cent against a one-year benchmark of 0.5 per cent. Over the longer term, our money market funds continue to outperform their benchmarks. Duration calls, yield curve weightings, and credit weightings contribute to the consistent outperformance.

Due to the past year's volatility in both interest rates and the credit markets, our Canadian Universe Bond Fund missed its benchmark. For the one-year period it returned 0.5 per cent against a benchmark of 0.8 per cent. However, longer term the fund continued to deliver value-added returns. Over the four-year period it returned 4.2 per cent against a benchmark of 4.0 per cent. The fund invests in quality government and investment-grade corporate debt that is highly liquid.

The Canadian Real Return Bond fund, which holds government-issued or guaranteed debt with inflation-adjusted payments, showed improved performance from previous years. For the one-year period it returned (2.1) per cent, outperforming its benchmark of (2.2) per cent. The fund was more actively managed this year, with duration calls and yield curve weighting contributing to the relative outperformance.

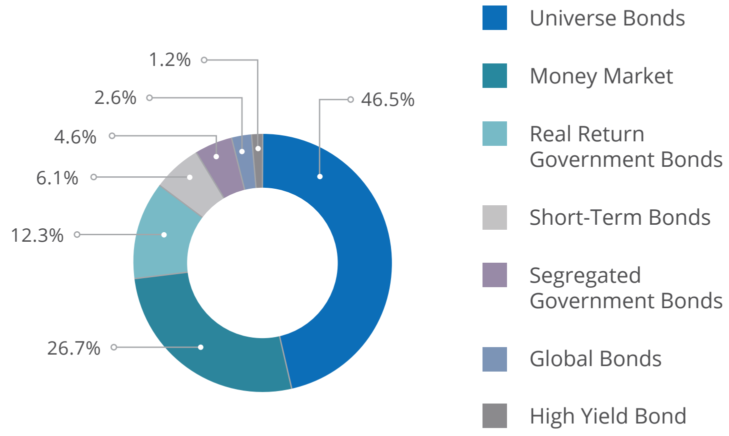
CANADIAN UNIVERSE BOND FUND PERFORMANCE

Annualized returns for the periods ended March 31, 2016



FIXED INCOME PORTFOLIO ASSETS

As at March 31, 2016[1]



[1] The Fixed Income department manages money market securities for all other asset classes. This amounted to $1.0 billion as of March 31, 2016

Mortgages

bcIMC plays a significant role in providing financing to Canada's commercial real estate industry

Commitments totalled $3.5 billion as of March 31, 2016

PERFORMANCE ANALYSIS Bank of Canada interest rate cuts left Government of Canada bond yields at historic lows and created challenges for commercial real estate lenders to earn acceptable lending returns. This drastically affected liquidity and as a result new Commercial Mortgage Backed Security issuances dropped. At the end of fiscal 2016 credit spreads were the widest they have been since the financial crisis.

Amid this shift in the lending environment, bcIMC committed almost $1.1 billion across Canada with the majority in Ontario, Saskatchewan, Alberta, and British Columbia. Commitments included bcIMC's first farmland mortgage transaction.

This program continued to deliver strong risk-adjusted value-added performance. Fluctuating interest rates and a strong demand for mortgages kept the markets active during the year.

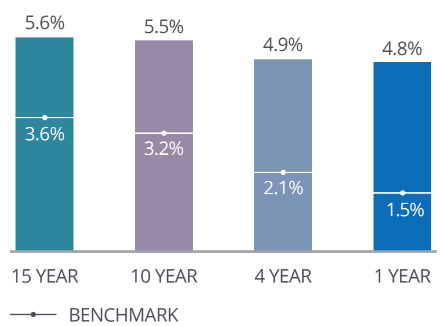
Our Fixed-Term Mortgage Fund, which primarily provides first secured financing for income-producing commercial real estate, fared well despite having several redemptions over the year. The fund returned 1.9 per cent over a one-year period against a benchmark of 2.1 per cent. A change in valuation methodology during the last quarter of fiscal 2016 negatively affected returns with a one-time loss of $6 million for the year. Over a 20-year period, the fund exceeded its benchmark by 0.7 percentage points. Due to the fund's composition, declining interest rates positively affected the fund overall.

The Construction Mortgage Fund, which finances commercial developments, had another strong year. The fund returned 4.8 per cent against a benchmark of 1.5 per cent. Interest rate floors continued to drive performance as they protect against a loss in value resulting from falling interest rates. Over a 20-year period, performance remained positive returning 6.2 per cent against a benchmark of 4.3 per cent.

Mezzanine mortgages are typically high loan-to-value loans offered to commercial developers and property owners. They provide higher returns to compensate for the increased risk taken by our mortgage security. Longer-term performance over a 15-year period returned 9.1 per cent against a benchmark of 5.2 per cent. Despite a higher risk profile, only one loan loss provision has occurred since the fund's inception in 1999.

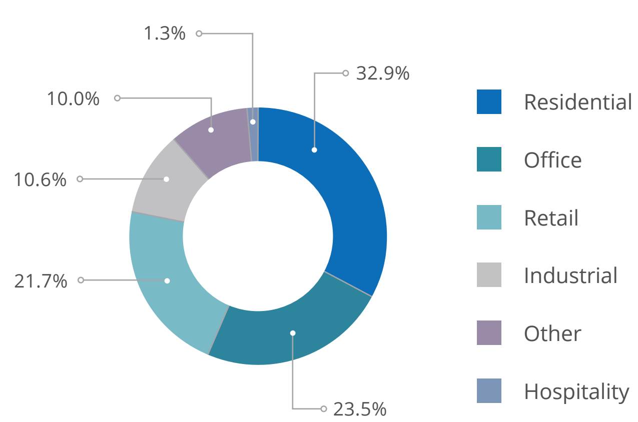
CONSTRUCTION MORTGAGE FUND PERFORMANCE

Annualized returns for the periods ended March 31, 2016



MORTGAGE HOLDINGS BY PROPERTY TYPE

As at March 31, 2016



Public Equities

A portfolio positioned to capture global growth and income opportunities

Total assets are $57.9 billion

PERFORMANCE ANALYSIS A slowdown in China's economic growth, excess crude oil supplies, and accommodative monetary policies in most countries outside of the U.S., produced a volatile year for global equity markets. Given the low yield environment, bcIMC strategically remained overweight to equities, providing relative value-added performance for participating clients.

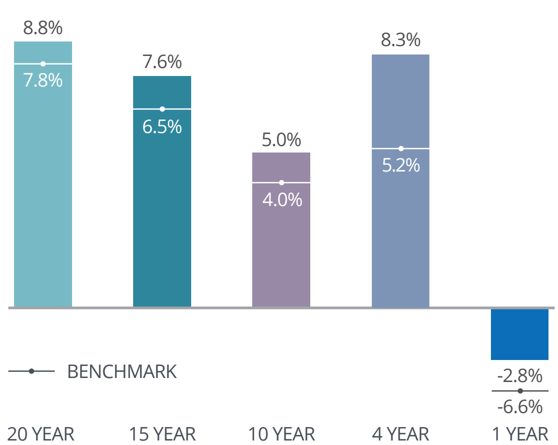
We continue to favour emerging market equities mainly for their demographic profile and growing middle class population. Our Active Emerging Markets Equity Fund exceeded its four-year benchmark by 2.3 percentage points and returned 5.8 per cent. Good stock selection and overweight positions to both China and India contributed to the outperformance. Although shorter term returns in emerging markets were affected by China's slowdown and continued downward pressure in the commodities sector, bcIMC's actively managed fund provided value-added performance and returned (8.0) per cent against a one-year benchmark of (10.2) per cent. bcIMC was awarded an additional US$200 million China A share quota from China regulators bringing our total quota to US$500 million. This provides us with the opportunity to invest in China's new service economy, which is anticipated to grow faster than its traditional manufacturing-based economy.

Our global equity funds also performed well. bcIMC's Active Global Equity Fund returned 0.4 percent against a one-year benchmark of (1.1) percent. Over a four-year period, the fund outperformed its benchmark by 0.7 percentage points and returned 16.4 per cent. Good stock selection in the technology and healthcare sectors contributed to the outperformance.

Although the energy and materials sectors continued to affect domestic equity market returns, our Active Canadian Equity Fund exceeded its one-year benchmark by 3.8 percentage points, benefitting from tactical weighting decisions. Over the four-year period, the fund returned 8.3 per cent against a benchmark of 5.2 per cent. Our Active Canadian Small Cap Equity Fund missed its one-year benchmark by 0.9 percentage points due to underexposure in commodity-related equities during the commodity price rally in early 2016; however, longer-term the fund outperformed its four-year benchmark by 11.4 percentage points and returned 8.8 per cent by holding high quality companies outside of the resource sectors.

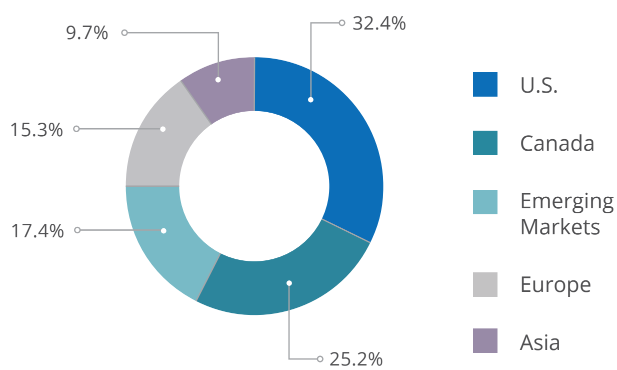
ACTIVE CANADIAN EQUITY FUND PERFORMANCE

Annualized returns for the periods ended March 31, 2016



REGIONAL ALLOCATION OF PUBLIC EQUITIES

As at March 31, 2016



Private Equities

Providing long-term private capital to companies with strong fundamentals and experienced management

A year-over-year increase of $0.9 billion

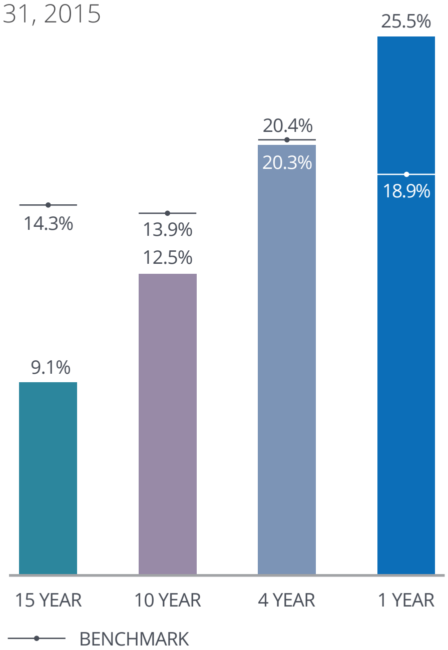
PERFORMANCE ANALYSIS On a whole, global private equity markets generated good returns for the year. Industry performance however was differentiated by generally strong returns in developed markets, continued weakness in emerging countries such as China and Brazil, and significant downward pressures in commodity related industries.

Amid this environment, we committed over $2.6 billion in new capital to the program, investing approximately $730 million on a direct basis, which is an important aspect of our strategy going forward. We evaluated investment opportunities across numerous regions and industry spaces — making direct acquisitions in both developed and emerging markets, and within various sectors including technology and consumer goods.

Performance for the program remains strong — returning 25.5 per cent (unaudited) against a one-year benchmark of 19.1 per cent for the period ending December 31, 2015. Low interest rates, the depreciation of the Canadian dollar, and strong operational performance of companies within the portfolio were primary drivers of returns. On a four-year basis, the program returned 20.3 per cent, against a benchmark of 20.6 per cent. Robust distributions activity, growth in portfolio company earnings, and strong performance of our direct investments in particular contributed to returns. Over the longer time periods, the program continues to narrow the gap relative to its benchmark while outperforming overall global public equity indices. The stronger performance reflects changes we made in 2010 to our strategy and investment model.

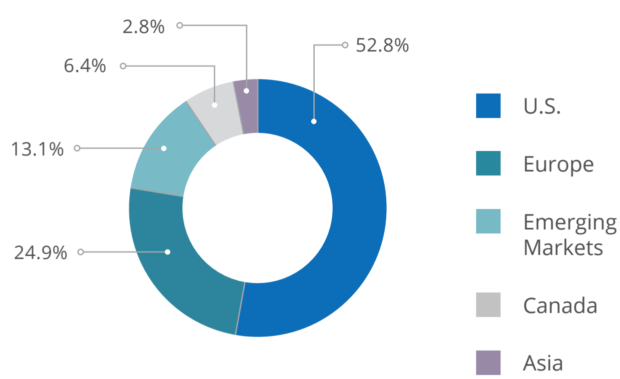
PRIVATE EQUITIES PROGRAM PERFORMANCE

Annualized returns for the periods ended December 31, 2015



REGIONAL DISTRIBUTION OF PRIVATE EQUITIES

As at December 31, 2015



Infrastructure

Acquiring long-term equity positions in core infrastructure assets, possessing strong cash flows and long-term capital growth

A year-over-year increase of $1.3 billion

PERFORMANCE ANALYSIS Our infrastructure program focuses on investment activity in privately-owned and managed infrastructure companies. These companies typically operate in stable regulatory environments and provide reliable cash flows for the shareholder.

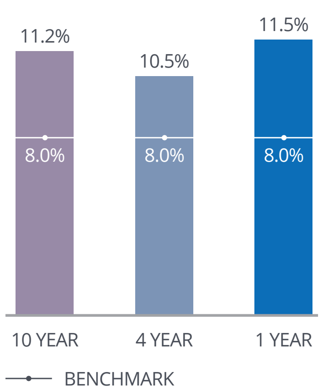
Competition for infrastructure assets remained high during the year. A growing demand for real assets, combined with low interest rates, and high levels of available capital continued to underpin strong competitive dynamics. Despite a challenging investment environment, bcIMC's Infrastructure team was very active through the course of the year making investments of $1.1 billion, including collaborating with like-minded investors to acquire a power generation company in South America.

Portfolio performance continues to be very strong, exceeding its benchmark on both a one-year and multi-year basis. Unaudited one-year returns were 11.5 per cent for the period ended December 31, 2015. The program benefitted from a depreciating Canadian dollar, strong dividend yields, and steady growth in asset valuations — including significant distributions from a number of our core utility holdings, notably Transelec S.A., Open Grid Europe GmbH, and Puget Energy.

Over the longer term, the fund also delivered superior performance, with unaudited four-year returns of 10.5 per cent and 10-year returns of 11.2 per cent.

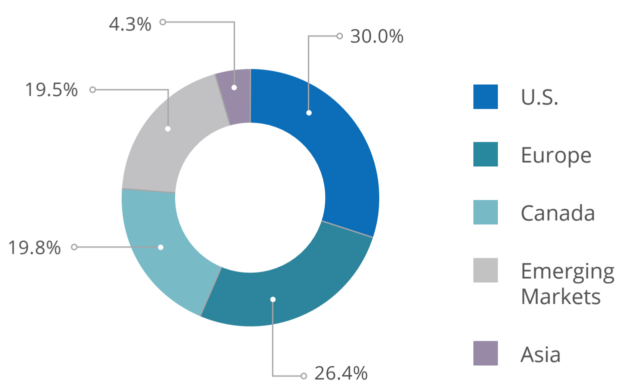
INFRASTRUCTURE PROGRAM PERFORMANCE

Annualized returns for the periods ended December 31, 2015



REGIONAL DISTRIBUTION OF INFRASTRUCTURE PROGRAM

As at December 31, 2015[1]



[1] Assets in the Infrastructure Fund are valued annually at December 31

Real Estate

Focusing on the strategic ownership, operation, and development of global and Canadian real estate assets

Total assets are $17.5 billion

PERFORMANCE ANALYSIS North American real estate market fundamentals remained healthy, producing stable cash flows and attractive returns. Despite declining oil prices, the Canadian market was among the world's soundest for investment grade property. Overall, global real estate returns were strong in 2015 with U.S., Mexico, and Europe performing well.

Domestic markets continued to be highly competitive, pushing valuations up. Strong investor demand provided bcIMC the opportunity to sell eight properties and our equity position in Bentall Kennedy, a Canadian real estate company. These transactions allowed bcIMC to maximize our clients' return on investment at the optimal time. Within this environment, development is a more cost-effective and prudent approach to adding to our clients' real estate portfolio. During the year, we completed two developments and currently have 26 properties in various stages of progress across Canada.

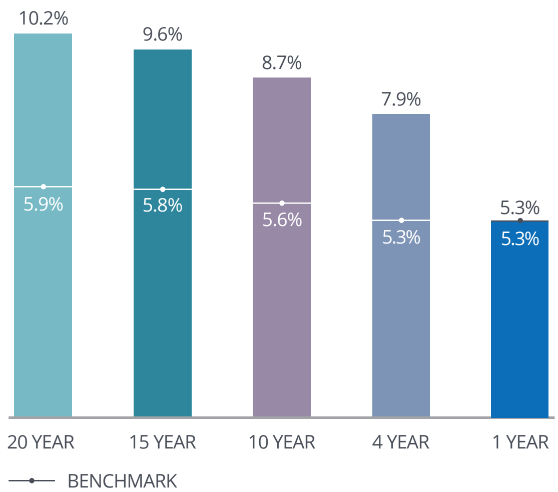
We capitalized on historically low borrowing rates with debt financing on two occasions. In June, we raised $350 million by issuing bonds to the Canadian markets at a six-year rate of 2.10 per cent and $500 million at a 10-year rate of 2.84 per cent. We raised approximately $485 million at a 5-year rate of 2.03 per cent in December. The funds will be used to finance our ongoing real estate developments and acquisitions.

Our Canadian portfolio outperformed its benchmark by 4.3 percentage points over the 20-year period. Healthy capital markets and declining interest and capitalization rates contributed to the performance. Shorter term, returns were mixed, returning 5.3 per cent against a one-year benchmark of 5.3 per cent. Well-located properties in Toronto and Vancouver were in high demand; but market rents and occupancy in Alberta declined due to falling energy prices. However, our long-term investment approach includes negotiating longer term leases to provide portfolio resilience during times of weak rental markets.

Our global portfolio had another strong year, with a one-year return of 17.5 per cent, as of December 31, 2015, exceeding its benchmark of 7.0 per cent, during a period where we continued to deploy significant capital. Value from property sales during the recovery phase of the global financial crisis, a more active management approach by bcIMC, and increased exposure to direct investments contributed to the stronger performance. Over the 10-year period, the program underperformed its benchmark by 3.5 percentage points. However, over the mid-term we are realizing the benefits of the strategic approach we introduced in 2013.

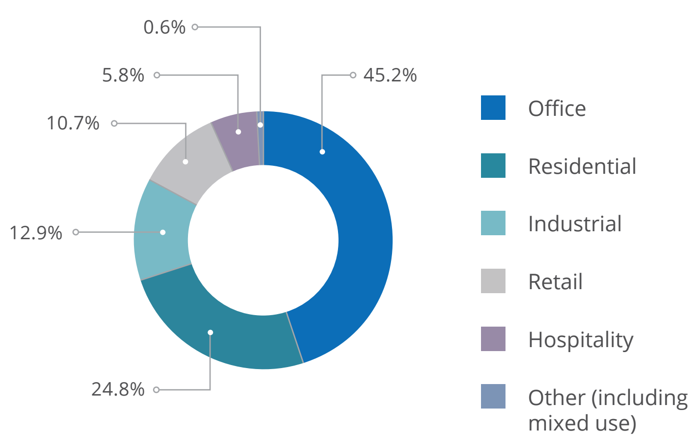
REALPOOL DOMESTIC FUND PERFORMANCE

Annualized returns for the periods ended March 31, 2016



DOMESTIC REAL ESTATE ASSETS BY PROPERTY TYPE

As at March 31, 2016[1]



[1] Gross assets for the domestic real estate program totalled $19.5 billion as at March 31, 2016

Renewable Resources

Building a diversified portfolio of real assets that produces stable income returns while achieving long-term capital returns

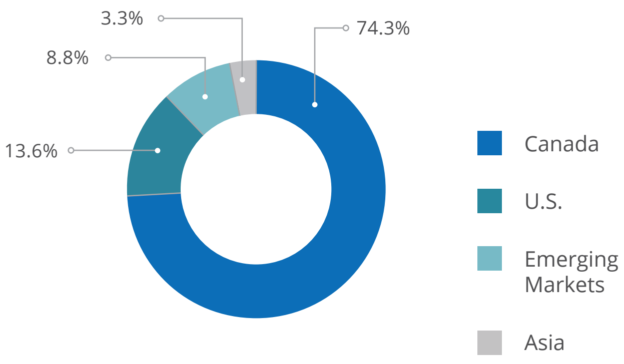
A year-over-year increase of $0.1 billion

PERFORMANCE ANALYSIS Our renewable resources program holds core investments in timberlands and funds that focus on timber and agriculture. As a real asset strategy, the fund complements client exposure to traditional stocks and bonds. We believe a growing global population will continue to drive opportunities in this space. However, given the nature of these assets, a long-term perspective is required when building a portfolio of quality holdings. Our program was created in 2013 when we transitioned existing timber and agricultural assets into the separate fund.

Despite challenged equity and commodity markets, the fund performed well for the year. Unaudited returns were 6.7 per cent on a one-year basis for the period ended December 31, 2015. Falling discount rates, a weakened Canadian dollar, stable distributions, and improved fundamentals contributed to the performance. Although Asian demand for timber remained weak affecting global pricing, the depreciation of the Canadian dollar offset some of the effects as timber is typically priced in U.S. dollars. Low oil prices, which kept shipping costs economical and the continued U.S. housing growth also helped to offset the effects of reduced demand. The agriculture and farmland markets experienced mixed performance with pricing volatility and drought conditions in major food production markets across the U.S., Australia, and Brazil. However, high demand for the asset class continued to generate strong asset values. The agricultural component of our program generated positive returns. Capital appreciation in the Canadian and U.S. markets and the positive effects of a weakened Canadian dollar contributed to the strong performance.

REGIONAL DISTRIBUTION OF RENEWABLE RESOURCES PROGRAM

As at December 31, 2015[1]



[1] Assets in the Renewable Resources Fund are valued annually at December 31

Risk Management

Risk management is integral to bcIMC's fiduciary role in managing our clients' funds

Managing risk is the process by which bcIMC identifies, evaluates, controls, monitors, and communicates the risks associated with our various operations and investments.

Our clients expect to be compensated with higher returns for taking on additional investment risk. However, they are not rewarded for exposure to enterprise risks such as unanticipated legal, environmental, and operational risk.

Risk management allows bcIMC to address uncertainty and manage associated risks and opportunities. Guiding principles inform the approach to risk management, which also requires communication and judgement. Within bcIMC, effective risk management calls for knowledge of capital markets and legislation, as well as an understanding of investment products, business practices, and internal controls.

Anticipating risk, taking appropriate steps to limit exposure or capitalize on the opportunities, and managing the results are essential to bcIMC's risk management. bcIMC aims to ensure that:

- funds under management are better protected
- our operations are sound
- trust in bcIMC remains unchallenged.

Our existing Enterprise-Wide Risk Management Framework (ERMF), which is under review, consists of:

- **Strategic Risk:** Refers to a potential loss arising from strategic decisions made in the implementation of bcIMC's mandate and business objectives. It also includes the risk from ineffective direction setting or business strategies.
- **Strategic Human Resources Risk:** This is managed through a framework that aligns the employment lifecycle with our business strategy. We mitigate risks through our recruiting practices, training, developing leadership, and managing succession planning.
- **Strategic Information Technology Risk:** Our management of information technology risk is aligned with industry best practices. These include the Information Systems Audit and Control Association's globally accepted framework Control Objectives for Information and Related Technology.
- **Environmental Risk:** Managing this risk begins with our pre-investment analysis of all opportunities. We work with accredited environmental consultants. Post-investment practices include maintaining environmental records and ensuring compliance with legislation. We review legislative changes for potential impacts on our investments.
- **Legal Risk:** bcIMC follows a principle-based approach to identifying and mitigating legal risk. Loss or dilution of legal rights can have negative financial consequences for our clients. Policies, such as those concerning anti-money laundering and insider trading, address legal compliance risks.
- **Operational Risk:** Refers to the risk of direct or indirect loss resulting from failed or inadequate internal processes, people or systems, or from external events.

  An inter-department committee meets monthly to manage change initiatives and assess process efficiencies. Eliminating unnecessary operational complexity continues to be a priority — our efforts include streamlining and automating routine processes, and heightening staff awareness of operational complexity.
- **Market Risk:** This is a primary aspect of the investment process and we adopt prudent investment practices. We knowingly take on risk, assess the consequences of macro trends, and continually re-evaluate market conditions.
- **Credit Risk:** Focuses on credit concerns with fixed income. bcIMC produces our own internal notional credit ratings of companies which are then used in conjunction with those of rating agencies. Our trading activities are governed by the use of approved brokers, dealers, and derivative counterparties.

bcIMC voluntarily prepares a Service Organization Controls Report, providing clients with added assurance of our financial controls and safeguards. This report, prepared in accordance with the Canadian Standard for Assurance Engagements (CSAE 3416), details bcIMC's financial controls over the investment system, and is audited by our external auditors.

Our Internal Audit function conducts systematic reviews of our financial processes and procedures. Results are discussed with management and reported to the audit committee.

STRENGTHENING OUR INVESTMENT RISK CAPABILITIES As our investment strategies become more dynamic and global, and we begin to actively manage more assets in-house, we will require new ways to identify, assess, and either mitigate or seize opportunity in potential investment risks. Our risk management processes must evolve with our investment strategies to maximize long-term, risk-adjusted returns and preserve our clients' capital.

With this in mind, in fiscal 2016 we reviewed our ERMF and are moving forward with a comprehensive revamp and development of an investment risk management function. Our current ERMF is transitioning into two distinct areas:

- Enterprise risk management will focus on operational; strategic human resources & informational technology; environmental; and governance, legal & compliance.
- Investment risk management will focus on market; credit & counter-party; liquidity & leverage; country & currency.

During fiscal 2016, bcIMC began building a dedicated investment risk management function within the investment risk, strategy & research department (IRSR). This new function will support bcIMC's investment activities by working with clients, the bcIMC Board, and the asset classes to help inform key investment decisions. We will create a more robust approach to risk management and we are strengthening our expertise in the measurement and reporting of investment risks.

This includes formalizing a new investment risk mandate which sets out to help improve risk-adjusted returns, avoid unintentional risk taking, and skillfully manage and contain a potential risk event.

To support this approach, we developed a risk governance framework designed to coordinate the management of risk across multiple teams and define an approval hierarchy which clarifies the roles between our clients, the bcIMC Board, various management committees, and senior vice presidents.

As a result of our new governance framework we have struck two new committees — one for enterprise risk management, and one for investment risk management. A key responsibility of both committees will be the development of corporate risk policies, to be approved by the Board, and the development and maintenance of several risk management directives that will be approved by the respective committees.

The Board has agreed to the framework and is anticipated to approve policies for both enterprise and investment risk management by the end of fiscal 2017.

Responsible Investing

Protecting and growing the financial value of the companies in which we invest by taking environmental, social, and governance factors into account

Responsible investing is an essential part of the investment beliefs shared by bcIMC, the pension funds, and many of the other clients for which we invest. We believe that companies that do a good job of managing environmental, social, and governance (ESG) matters have less risk and perform better financially over the longer term.

Our primary mandate is to create long-term client wealth and protect the value of their funds. The majority of the funds we manage belong to pension plans. As pension funds have long-term obligations and seek a specified rate of return to fund these obligations, bcIMC is required to invest our clients' funds to generate the expected returns. bcIMC adheres to the applicable requirements of the *Pension Benefits Standards Act* and other legislation, as well as the legal contracts established by our clients.

Assessing and managing investment risk is an integral part of how we meet our responsibility. As part of the prudent investment management of our clients' funds, we aim to actively manage the long-term risks that ESG matters present, both now and into the future.

This begins with the integration of ESG considerations into our investment analysis, decisions, and processes. And as an active owner, we monitor ESG factors and engage with companies to raise awareness that good corporate governance is the over-arching framework for effective management of risks. We also use our influence as a shareholder to encourage companies to manage and report on their ESG risks.

bcIMC became a founding signatory to the Principles for Responsible Investment (PRI) in 2006. Our approach is aligned with the PRI which provides a set of principles for institutional investors to consider as they integrate environmental, social, and governance factors into their investment processes and analysis, ownership activities, and interactions with other long-term investors.

bcIMC'S RESPONSIBLE INVESTING PRINCIPLES The following eight principles guide our approach:

1. As our primary responsibility is to ensure enduring long-term investment returns, environmental, social, and governance matters are addressed when these factors present material risk to an investment and/or the portfolio.
2. As significant ESG risks vary between asset classes, regions, sectors, and companies, we adapt our approach and strategy to what is appropriate for the investment.
3. Knowledge and reason, while looking out for our clients' investment return expectations, inform our responsible investing decisions and activities.
4. We encourage companies to identify practical and realistic solutions to ESG risks, and recognize that introducing good governance and operational practices takes time.
5. We must own a company to be able to influence its governance and operational practices. As a long-term owner, we have a responsibility to interact with companies about their governance structures, policies, and operations.
6. We believe that engaging is more effective in seeking to initiate change than divesting, and that aligning with like-minded investors and organizations is sometimes more effective than working in isolation.
7. As a significant investor, we have a duty to advance responsible investing within the investment industry.
8. As responsible investing continues to evolve, integrating ESG considerations into our investment approach is constantly under development; we shall continuously learn from our own practices and experience.

For more information on our responsible investing activities, please read our Responsible Investing Annual Report and newsletters on our website (www.bcIMC.com).

Corporate Governance

Our Board of Directors

COMPOSITION OF THE BOARD The *Public Sector Pension Plans Act* (the Act) requires our Board to have seven directors as follows:

- One director appointed by the College Pension Board from among its members
- One director appointed by the Municipal Pension Board from among its members
- One director appointed by the Public Service Pension Board from among its members
- One director appointed by the Teachers' Pension Board from among its members
- Two directors, representative of other clients, appointed by B.C.'s Minister of Finance; and
- One other director appointed by B.C.'s Minister of Finance and designated to be the Chair of the Board.

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

Our largest clients, accounting for 84.1 per cent of bcIMC's managed net assets, are represented on the Board.

BOARD INDEPENDENCE All directors and the Board Chair are non-executive directors and independent of management.

RICK MAHLER | Vancouver, British Columbia

Now retired, Rick was executive vice president and chief financial officer of Finning International for 14 years. He is a director of Ten Peaks Coffee and served as chair of Partnerships BC for seven years and chair of Sterling Shoes. Rick's volunteer activities include serving as chair of the Co-op Advisory Council at both Simon Fraser University and the University of Waterloo; chair of the VGH & UBC Hospital Foundation; and vice-chair of the Vancouver Board of Trade. He is the recipient of awards including the Queen's Golden Jubilee Medal for Distinguished Service. Rick holds a BSc from the University of Waterloo and an MBA (Finance) from McMaster University.

bcIMC Board and Committee Appointments		2015–2016 Attendance	
Director since December 31, 2010 Current term to December 31, 2016 Appointed by B.C.'s Minister of Finance Independent	Chair, bcIMC Board of Directors (2011–Present)	5/5	100%
	Guest, Human Resources and Governance Committee	1/1	100%

bcIMC Director Remuneration 2015–2016	Annual Retainer	Board Meeting Fee	Committee Chair Fee	Committee Meeting Fee	Total
	$30,511.50	$6,100.00	–	$4,578.00	$46,545.50[1]

Other Board Directorships / Trusteeships During the Last Five Years	Term	Board Chair & Term		Committee Appointments
BCS0334 Strata Council	2012–Present	N	–	Treasurer
Sterling Shoes Inc.	2005–2013	Y	2005–2013	Audit Committee Human Resources Committee
Ten Peaks Coffee Co.	2004–Present	N	–	Audit Committee (Chair)
VGH & UBC Hospital Foundation	2003–2011	Y	2007–2010	Audit Committee (Chair)

[1] Includes remuneneration for representing bcIMC at other meetings

DENNIS BLATCHFORD | Vancouver, British Columbia

Dennis is a founding member of the Municipal Pension Board of Trustees and chaired its governance committee from 2008 to 2011. He is currently the pension and benefits advocate for the Health Sciences Association of British Columbia. Previously Dennis was a director for the BC Federation of Labour and worked in the areas of health policy reform, human rights legislation, disability advocacy, and community relations. From 1998 to 2004, he was a trustee of the Canadian Blood Services Pension Plan.

bcIMC Board and Committee Appointments		2015–2016 Attendance	
Director since March 28, 2012 Current term to December 31, 2018 Appointed by the Municipal Pension Board of Trustees Independent	Director, bcIMC Board of Directors	5/5	100%
	Member, Human Resources and Governance Committee (2012–Present)	7/7	100%

bcIMC Director Remuneration 2015–2016	Annual Retainer	Board Meeting Fee	Committee Chair Fee	Committee Meeting Fee	Total
40 per cent of the remuneration is paid to the Health Sciences Association of British Columbia[1]	$15,255.75	$6,100.00	–	$5,328.00	$27,455.75[2]

Other Board Directorships / Trusteeships During the Last Five Years	Term	Board Chair & Term		Committee Appointments
Joint Health Science Benefits Trust (Trustee)	2015–Present	N	–	Joint Trust Working Group
Municipal Pension Plan (Trustee)	2001–Present	N	–	Benefits Committee
Nurses Bargaining Association Retiree Benefit Program Committee	2011–Present	N	–	Health Sciences Association Representative
Shareholder Association for Research and Education (Director)	2010–Present	N	–	Pension Summit Planning Committee

[1] $16,473.45 was paid to Dennis Blatchford as an individual

[2] Includes remuneration for representing bcIMC at other meetings

KAREN MAYNES | Maple Ridge, British Columbia

Now retired, Karen was the vice-president, finance and administration at Douglas College. She was nominated by the post-secondary employers' association and appointed to the College Pension Board of Trustees in 2006 by the provincial government. Karen is the past chair of the provincial senior finance and administration officers committee, and past post-secondary sector representative of the Institute of Chartered Accountants of BC Government Organizations' Accounting & Auditing Forum. She has also served on numerous Douglas College and provincial committees dealing with issues such as technology planning, faculty negotiations and data definitions and standards. Karen received her chartered accountant designation in 1987.

bcIMC Board and Committee Appointments		2015–2016 Attendance	
Director since September 18, 2014 Current term to August 31, 2016 Appointed by the College Pension Board of Trustees Independent	Director, bcIMC Board of Directors	5/5	100%
	Member, Audit Committee (2014–Present)	6/6	100%
	Guest, Human Resources and Governance Committee	3/3	100%

bcIMC Director Remuneration 2015–2016	Annual Retainer	Board Meeting Fee	Committee Chair Fee	Committee Meeting Fee	Total
	$15,255.75	$6,100.00	–	$6,864.00	$28,991.75[1]

Other Board Directorships / Trusteeships During the Last Five Years	Term	Board Chair & Term		Committee Appointments
College Pension Plan (Trustee)	2006–Present	N	–	Benefits Committee Governance Committee Interplan Audit Committee Interplan Post-Retirement Group Benefits Committee

[1] Includes remuneration for representing bcIMC at other meetings

RON MCEACHERN | North Saanich, British Columbia

Ron has worked in human resources and labour relations for more than 30 years. Prior to retiring in 2005, he was an associate deputy minister of employee relations in the BC Public Service Agency. Ron holds a BSc from the University of Victoria and has completed several certificate courses with International Foundation of Employee Benefit Plans in the Advanced Trustee Management Standards Program.

bcIMC Board and Committee Appointments		2015–2016 Attendance	
Director since April 1, 2007 Current term to March 31, 2019 Appointed by the Public Service Pension Board of Trustees Independent	Director, bcIMC Board of Directors	5/5	100%
	Chair, Human Resources and Governance Committee (2015–Present)	7/7	100%
	Member, Human Resources and Governance Committee (2007–2014)	–	–

bcIMC Director Remuneration 2015–2016	Annual Retainer	Board Meeting Fee	Committee Chair Fee	Committee Meeting Fee	Total
	$15,255.75	$6,100.00	$5,085.25	$5,328.00	$34,041.00[1]

Other Board Directorships / Trusteeships During the Last Five Years				
	Term	**Board Chair & Term**		**Committee Appointments**
British Columbia Pension Corporation	2008–2011	N	–	Human Resources Committee (Chair)
Public Service Pension Board (Trustee)	2002–Present	Y	2011–Present	Benefits Committee Communications Committee Governance Committee
Ron E. McEachern & Associates Ltd.	2004–Present	Y	2004–Present	–

[1] Includes remuneration for representing bcIMC at other meetings

KEN TANNAR | Langley, British Columbia

Ken has taught in British Columbia for 32 years, most currently as a physics and senior math teacher in Surrey. He was appointed to The Teachers' Pension Plan Board of Trustees by the BC Teachers' Federation in 2008. For the past ten years, Ken has served on the BCTF's pensions committee and TPP's advisory committee, which is independent of the TPP. He has served as the past chair for both committees. Ken holds a Bachelor of Science from the University of British Columbia.

bcIMC Board and Committee Appointments		2015–2016 Attendance	
Director since January 1, 2015 Current term to December 31, 2017 Appointed by the Teachers' Pension Plan Board of Trustees Independent	Director, bcIMC Board of Directors	5/5	100%
	Member, Human Resources and Governance Committee (2015–Present)	7/7	100%
	Guest, Audit Committee	3/3	100%

bcIMC Director Remuneration 2015–2016	Annual Retainer	Board Meeting Fee	Committee Chair Fee	Committee Meeting Fee	Total
Effective September 1, 2015, $400.00 per meeting per diem of the remuneration is paid to BC Teachers' Federation[1]	$15,255.75	$6,100.00	–	$6,864.00[2]	$28,991.75[3]

Other Board Directorships / Trusteeships During the Last Five Years				
	Term	**Board Chair & Term**		**Committee Appointments**
BC Teachers' Federation	2005–Present	N	–	Pensions Committee (Past Chair) Teachers' Pension Plan Advisory Committee (Past Chair)
Teachers' Pension Plan (Trustee)	2008–Present	N	–	Benefits and Communications Committee (Chair)

[1] $23,791.75 was paid to Ken Tannar as an individual

[2] Reflects remuneration for two of the three meetings attended as a guest

[3] Includes remuneration for representing bcIMC at other meetings

KEN WOODS | Vancouver, British Columbia

Ken has been involved in the investment industry for more than 25 years and has significant experience as a pension plan fiduciary. He serves on WorkSafeBC's Investment Committee as an independent voting member and is President of Coolwoods Investments Ltd. Ken is an active member of the community and served on the VGH & UBC Hospital Foundation. He is currently involved with the Department of Athletics at the University of British Columbia and the St. Paul's Sinus Centre. Ken is a Fellowship Chartered Accountant. He holds a Bachelor of Mathematics from the University of British Columbia and an MBA from Concordia University.

bcIMC Board and Committee Appointments		2015–2016 Attendance	
Director since July 5, 2011 Current term to December 31, 2016 Appointed by B.C.'s Minister of Finance Independent	Director, bcIMC Board of Directors	5/5	100%
	Member, Audit Committee (2011–2012, 2015–Present)	6/6	100%
	Chair, Audit Committee (2012–2015)	–	–
	Guest, Human Resources and Governance Committee	2/2	100%

bcIMC Director Remuneration 2015–2016	Annual Retainer	Board Meeting Fee	Committee Chair Fee	Committee Meeting Fee	Total
	$15,255.75	$6,100.00	–	$6,100.00	$30,477.75[1]

Other Board Directorships / Trusteeships During the Last Five Years

	Term	Board Chair & Term		Committee Appointments
BC Golf House Society	2012–2015	N	–	Strategic Planning
Children's Arts Umbrella Foundation	2004–2013	Y	2004–2011	Investment Committee
Kenneth Woods Portfolio Management Foundation, John Molson School of Business, Concordia University	1998–Present	Y	1998–Present (Founder)	Client Committee
RBC Canadian Open	2011	Y	2011	Host Club Tournament Chair
VGH & UBC Hospital Foundation	2012–2013 2002–2009	N	–	Investment Committee Various committees
WSBC Investment Committee	2005–Present	N	–	–

[1] Includes remuneration for representing bcIMC at other meetings

CHERYL YAREMKO | Vancouver, British Columbia

Cheryl is BC Hydro's executive vice-president finance & supply chain and chief financial officer. Before joining BC Hydro, Cheryl was the chief financial officer for BC Railway Company. She has served on the boards of UBC Investment Management Trust, the National Board of Financial Executives International Canada, Ballet BC, InTransit BC, and the British Columbia Chapter of Financial Executives International. Cheryl is a Chartered Accountant and has a BComm (Honours) with a major in Finance from the University of British Columbia.

bcIMC Board and Committee Appointments		2015–2016 Attendance	
Director since December 31, 2012 Current term to December 31, 2017 Appointed by B.C.'s Minister of Finance Independent	Director, bcIMC Board of Directors	5/5[1]	100%
	Chair, Audit Committee (2015–Present)	6/6	100%
	Member, Audit Committee (2013–2015)	–	–

bcIMC Director Remuneration 2015–2016	Annual Retainer	Board Meeting Fee	Committee Chair Fee	Committee Meeting Fee	Total
	$15,255.75	$5,350.00[1]	$5,085.25	$4,564.00	$31,027.00[2]

Other Board Directorships / Trusteeships During the Last Five Years

	Term	Board Chair & Term		Committee Appointments
Ballet BC	2003–2011	N	–	Treasurer (2006–2011)
Financial Executives International (BC Chapter)	2010–2012	N	–	Events Committee
Financial Executives International Canada (National Board)	2013–2015	N	–	Audit Committee
InTransit BC	2009–2012	N	–	–
UBC Investment Management Trust Inc.	2010–2015	N	–	Audit Committee (Chair) Investment Committee

[1] Remuneration reflects attendance for one day of a two-day board meeting

[2] Includes remuneration for representing bcIMC at other meetings

Our Corporate Governance

The board of directors is committed to demonstrating high governance standards in the oversight of bcIMC's operations and accountability to clients

THE GOVERNANCE FRAMEWORK bcIMC was established by the *Public Sector Pension Plans Act* (the Act) in 1999. The Board appoints the CEO/CIO, sets the remuneration, and reviews and monitors the CEO/CIO's performance. The Board also oversees bcIMC's operations, and ensures proper reporting and accountability to our clients. The Board approves pooled fund investment policies, auditors, and approves the business plan and annual budget. Other responsibilities include establishing an employee classification system and compensation scale.

The bcIMC Board Mandate clarifies the Board's duties and responsibilities and is available on our website.

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

ROLE AND ACCOUNTABILITY OF THE CHIEF INVESTMENT OFFICER The Act defines bcIMC's chief investment officer as the chief executive officer with responsibility for day-to-day operations. The CEO/CIO is accountable to the Board for the efficiency and effectiveness of the corporation in carrying out its mandate. The CEO/CIO is also responsible to each client regarding its individual investment policy, asset mix policy, and performance.

Among other responsibilities, the CEO/CIO hires staff and external managers, oversees the annual business plan and budget, and establishes policies and procedures to meet operational objectives. The CEO/CIO ensures that funds are managed in accordance with client instructions and recommends changes in investment strategies to clients.

BOARD ACTIVITY AND COMMITTEES The Board meets on a quarterly basis. Meetings are scheduled in advance. Additional meetings are arranged when issues arise that require immediate board attention. The Board has two standing committees:

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

The CEO/CIO attends all board and committee meetings (although the CEO/CIO cannot be a director).

DIRECTOR ATTENDANCE The Board met on five occasions, the Audit Committee on six, and the HRGC on seven. Directors who are not members of a committee may observe those meetings and may also attend director orientations.

There was 100 per cent attendance for all of the meetings held in 2015–2016. Details for individual directors are included in their profiles on pages 28 to 31.

DIRECTOR ORIENTATION PROGRAM Senior management lead the orientation. New directors are briefed on the Board's role and responsibilities, our business plan, budget, investment and risk management activities, and human resource policies. The Board Recovery Plan and details on key operational functions are also addressed.

BOARD EVALUATION AND ASSESSMENT Each year the directors complete a self-evaluation process that assesses the effectiveness of the Board in key areas and elicits suggestions for improvement. The Board discusses the results and identifies areas that require additional or new emphasis. The Chair of the HRGC administers the process.

DIRECTOR REMUNERATION The Act provides that bcIMC may pay directors remuneration for their service on the Board and its committees that is consistent with the Province of British Columbia's Treasury Board guidelines. A director is also compensated for attendance at meetings or conferences that they are required to attend as a representative of bcIMC. If a director receives remuneration from their employer for board or committee service, such fees are paid to their employer.

With the exception of revisions to the HRGC chair's annual retainer in April 2013, the last adjustment to bcIMC's director remuneration was in October 2011. This year the Board reviewed the remuneration practices and processes for determining the annual retainer and per diem rates. They subsequently approved that the annual retainers and per diems are to be adjusted by a percentage equivalent to the average cost of living benefits increase granted to retired members on January 1, 2015 by the College Pension Plan, Municipal Pension Plan, Teachers' Pension Plan, and Public Service Pension Plan (the four largest clients represented on the Board). The Board further resolved that on a go forward basis the remuneration for annual retainer and per diem rates are to be increased annually on January 1 of each year. For fiscal 2016, remuneration levels are as follows:

When board meetings take place over two days, a per diem is paid for each day. In instances where a committee and board meeting are held on the same day, a per diem is paid for each meeting.

Total remuneration for the Board was $227,530.50 in 2015–2016 (2014–2015: $230,500). Details for individual directors are included in their profiles.

DIRECTOR CODE OF CONDUCT The Code of Conduct (available on our website) outlines the minimum standard of conduct. Directors must make timely disclosure of direct or indirect interest, material or not, in any proposed or completed bcIMC contract, transaction, or investment. Directors must also abstain from voting on matters in which they have a personal interest. The HRGC reviews this Code every two years.

CONTINUING DIRECTOR EDUCATION bcIMC budgets an amount to enable directors to benefit from courses and conferences offered by third parties. Guest speakers may also attend board meetings.

Directors are responsible for selecting educational opportunities. We encourage them to enrol in professional development courses and participate in industry-related seminars.

	UP TO JUNE 30, 2015		JULY 1, 2015–DECEMBER 31, 2015[1]		AS OF JANUARY 1, 2016[2]	
POSITION	ANNUAL RETAINER	PER DIEM	ANNUAL RETAINER	PER DIEM	ANNUAL RETAINER	PER DIEM
Board Chair	$30,000	$750	$30,570	$764	$30,906	$772
Director	$15,000	$750	$15,285	$764	$15,453	$772
Audit Committee Chair	$5,000	$750	$5,095	$764	$5,151	$772
HRGC Chair	$5,000	$750	$5,095	$764	$5,151	$772
Committee Member	–	$750	–	$764	–	$772

[1] Adjustments made to ensure alignment with the revised policy effective July 1, 2015

[2] Annual adjustment to align with the average percentage that the British Columbia pension plans grant to retired members of the College Pension Plan, Municipal Pension Plan, Teachers' Pension Plan, and Public Service Pension Plan

Compensation Discussion and Analysis

Generating the returns our clients rely on requires specialized skills in understanding global capital markets and investment management

bcIMC recruits and seeks to retain talented and motivated staff with the skills and expertise to provide leadership in a complex investment environment. As we compete with our Canadian peers for the required expertise, bcIMC offers rewarding work opportunities, supports continued professional development, and pays competitive base salaries.

We are responsible for generating long-term client wealth while also protecting the value of our clients' funds. We are accountable to our clients for investment returns and the costs involved in managing their funds. We operate on a cost recovery model, and investment management fees are charged to the investment pools and clients.

HRGC MANDATE The human resources and governance committee (HRGC) assists the Board in ensuring that bcIMC retains a highly effective team and that human resource practices continue to align employee performance with client expectations. The HRGC monitors and makes recommendations to the Board on the following matters:

- trends and external market practices for compensation, benefits, and terms and conditions of employment
- bcIMC's job classification system and compensation scale
- comparators and competitive positioning of compensation
- salary and performance assessment of the CEO/CIO
- bcIMC's performance incentive plans
- oversight of risks associated with human resources activities
- employee Code of Conduct provisions
- bcIMC's succession planning
- professional development and training strategies
- new human resources strategies and supporting policies
- self-evaluation plans of the Board and its committees
- best practices and trends in board governance.

The HRGC consists of three directors, appointed by the Board, with diverse backgrounds and experience in business and human resources matters. Members are independent of management. Ron McEachern is the chair; Dennis Blatchford and Ken Tannar are committee members. The other directors may also attend committee meetings as guests. The CEO/CIO and senior vice president, human resources attend the meetings.

The HRGC meets at least twice a year. In 2015–2016, the committee met on seven occasions, which included four *in camera* sessions. The meetings for fiscal 2016 included the regular review of bcIMC's compensation philosophy and structure. Further information is provided on page 38.

COMPENSATION PHILOSOPHY AND STRUCTURE The Board's philosophy is to pay median base salary levels complemented by performance incentive plans designed to align staff interests with our clients' return requirements (while discouraging undue risk-taking) and with bcIMC's strategic objectives.

Our compensation structure includes a base salary, benefits, and performance-based remuneration through an annual incentive plan (AIP) and a long-term incentive plan (LTIP) for senior roles. As a statutory corporation with one share with a par value of $10, bcIMC does not issue share options to our staff.

This philosophy and structure was last reviewed in fiscal 2013 and remained in existence for the duration of fiscal 2016.

Base Salary: The Board's philosophy to pay median salaries guides the salary decisions of the positions classified within bcIMC's three job streams. The comparator group for investment management roles consists of the large in-house Canadian public pension funds. For non-investment roles, the comparator group is expanded to include relevant public and private sector employers within western Canada, including the British Columbia public sector.

Benefits: Employment benefits include bcIMC-funded health and welfare coverage such as medical, extended health, dental, health spending account, and life insurance coverage. bcIMC pays employer contributions on behalf of our staff to the Public Service Pension Plan and legislated benefits such as

Canada Pension Plan, Employment Insurance, and Workers' Compensation. A short-term illness and injury plan and a long term disability plan protect permanent staff against wage loss.

Annual Incentive Plan: All permanent employees are eligible to participate in the AIP. The plan aligns employee performance with the achievement of investment and business objectives.

AIP payments are calculated as a percentage of base salary, weighted to reflect the role and impact the position has on corporate results.

A portion of the AIP payment is derived from the annual investment performance with a greater component determined by the investment return performance over a four-year period. The remainder of the payment reflects individual and team achievement of other bcIMC objectives.

Three value drivers are used to rate performance:

Driver 1: Total Fund Performance — overall investment performance measured against industry or client-approved benchmarks. The value-added component is assessed net of investment management fees and expenses. This driver is intended to align overall investment performance with client expectations and to promote corporate collaboration.

Driver 2: Business Unit Performance — the department's role in delivering investment returns and contributing to corporate strategies and programs. This is intended to direct staff efforts to achieving corporate or department objectives.

Driver 3: Individual Contribution — the individual's performance measured against the accountabilities assigned to their role. This is intended to encourage and reward high performance.

Disbursement of payments under the AIP occurs in the fiscal year after it is earned. To show the alignment between the AIP payment and performance, the Summary Compensation Table (on page 37) reports AIP in the year it was earned.

Long-Term Incentive Plan: This plan is designed to enhance the retention of senior staff with the skills and experience that will enable bcIMC's long-term success.

LTIP provides the opportunity to earn additional remuneration based on investment return performance (net of costs) over a four-year period. This is accomplished by linking a portion of the personal remuneration to bcIMC's long-term total fund investment performance. If bcIMC fails to generate value-added investment returns in a year, the annual credit is assessed at zero. This zero-weighting affects LTIP payments for four years. Similarly, value-added performance generates a payment that is disbursed over a four-year period.

There is a vesting requirement before the first payment is disbursed to eligible staff. Payments begin once an employee has contributed to bcIMC's performance in each of the four years. Should an employee resign or be terminated, all vested deferred credits are forfeited. On retirement, the full vested deferred value is disbursed in a single payment.

As with the AIP, the actual disbursement of the payment occurs in the following fiscal year. The Summary Compensation Table (on page 37) reports LTIP in the year it became payable and shows the alignment between the LTIP payment and performance.

PERFORMANCE ASSESSMENT FOR 2015–2016 bcIMC's net assets under management were $121.9 billion at the end of the fiscal year. The combined pension plan one-year annual return was (0.2) per cent compared to a combined market benchmark of (0.3) per cent. As a result, bcIMC's investment activities generated $133 million in added value for our pension clients.

Amid this low return environment, strong performance within private markets and real estate drove value-added returns. Relative outperformance within the public equity markets, especially Canadian equities and emerging markets; as well as outperformance within our mortgages program also contributed to investment returns.

As pension plans have long-term financial obligations, we focus on generating long-term client wealth while protecting the value of the funds. Returns are important — for every $100 a pension plan member receives in retirement benefits, on average $75 is provided by bcIMC's investment activity. Over the four-year period, the annualized return was 9.4 per cent against a benchmark of 8.0 per cent, adding $4.7 billion in value. For the 10-year period, the annualized return was 6.6 per cent against a benchmark of 5.9 per cent. bcIMC added almost $6.1 billion in value over this period.

The value-added performance is calculated as the clients' total portfolio return net of investment management fees and minus the benchmark return.

LONG-TERM INCENTIVE PLAN CREDITS AND PAYMENTS Over the April 2012 to March 2016 period, bcIMC's investment performance added value in each of the four years. The above benchmark performance in 2015–2016 generated a credit of 16.1 per cent, with 25.0 per cent being the maximum instalment weighting towards a future long-term incentive plan grant. The value-added performance (calculated as the clients' total portfolio return net of investment management fees and minus the benchmark return) and the credits for each of the years in the four-year period are shown in the table below.

YEAR	bcIMC'S VALUE-ADDED PERFORMANCE ($)	ACTUAL CREDIT (%)
2012–2013	$1.5 billion	24.0
2013–2014	$1.7 billion	25.0
2014–2015	$1.4 billion	25.0
2015–2016	$133 million	16.1
TOTAL		90.1

As the value-added performance was delivered in each of the four years, LTIP payments for 2015–2016 reflect 90.1 per cent of the maximum opportunity. Over the four-year period, bcIMC generated approximately $4.7 billion in cumulative value-add.

EXECUTIVE COMPENSATION The total compensation of the five most highly remunerated officers in place at fiscal year end, with comparable amounts for 2014–2015 and 2013–2014, is disclosed in the Summary Compensation Table on page 37.

The AIP and LTIP payments for the chief executive officer / chief investment officer and the other named executive officers reflect the investment performance that exceeded our clients' combined market benchmark and generated $133 million in additional value, net of costs. These payments also recognize their department's contribution to the returns and other business objectives, and their individual contribution. Total compensation for bcIMC's named executive officers was $7.2 million in 2015–2016 ($6.6 million in 2014–2015).

Doug Pearce retired as CEO/CIO on August 28, 2014. Details relating to his AIP and LTIP payments were disclosed in the 2014–2015 Annual Report. As a retiring employee, Doug Pearce was entitled to a single payment of $554,815 for the four-year vested value of LTIP. This payment was made in 2015–2016.

TOTAL COMPENSATION Total cost of salaries and benefits for our entire staff complement was $58.8 million in 2015–2016 (4.8 cents per $100 of net assets under management) compared to $53.5 million in 2014–2015 (4.6 cents per $100 of net assets under management). This year-over-year change primarily reflects the growth in bcIMC's staff complement as well as the year-over-year increase in performance-based pay resulting from adding $133 million in value. Over the last fiscal year, we added 76 positions to support bcIMC's implementation of our three-year strategic business plan. We added expertise in the areas of portfolio management, asset management, risk management, information technology, investment operations, and finance. The continued growth of our team supports bcIMC's strategic initiatives to enhance the exposure of our clients' funds to global assets, focus on real assets, and increase the percentage of funds managed internally.

Summary Compensation Table

NAME AND PRINCIPAL POSITION	YEAR	BASE SALARY [1]	ANNUAL INCENTIVE [2, 3]	LONG-TERM INCENTIVE PLAN [2, 3]	PENSION CONTRIBUTIONS [4]	OTHER BENEFITS [5]	TOTAL COMPENSATION [6]
Gordon J. Fyfe Chief Executive Officer / Chief Investment Officer	**2015–2016**	**$569,612**	**$704,547**	**$1,047,742**	**$63,979**	**$120,176**	**$2,506,056**
	2014–2015 [7]	$407,832	$784,056	$821,688	$47,890	$108,233	$2,169,699
	2013–2014	–	–	–	–	–	–
Lincoln Webb Senior Vice President, Private Markets	**2015–2016**	**$357,064**	**$420,433**	**$407,164**	**$40,747**	**$63,446**	**$1,288,854**
	2014–2015	$349,815	$457,262	$329,061	$39,911	$95,524	$1,271,573
	2013–2014	$343,821	$460,886	$278,704	$39,218	$75,679	$1,198,308
Dean Atkins Senior Vice President, Mortgages and Acting Senior Vice President, Real Estate	**2015–2016**	**$311,252**	**$342,134**	**$358,922**	**$35,741**	**$182,690** [8]	**$1,230,739**
	2014–2015	$277,340	$428,832	$260,482	$31,989	$53,502	$1,052,145
	2013–2014	$264,094	$353,318	$211,411	$30,503	$44,834	$904,160
Bryan Thomson Senior Vice President, Public Equities	**2015–2016**	**$315,665**	**$372,114**	**$378,395**	**$36,223**	**$55,054**	**$1,157,451**
	2014–2015	$309,257	$350,573	$290,983	$35,478	$80,293	$1,066,584
	2013–2014	$303,957	$362,249	$245,023	$34,861	$44,277	$990,367
Paul Flanagan Senior Vice President, Fixed Income & Foreign Exchange	**2015–2016**	**$311,252**	**$289,546**	**$372,936**	**$35,741**	**$51,413**	**$1,060,888**
	2014–2015	$288,747	$380,867	$271,502	$32,767	$44,915	$1,018,798
	2013–2014	$278,818	$332,025	$222,978	$32,113	$41,903	$907,837

[1] Base salaries are guided by the Board's compensation philosophy to pay market median among other large pension fund managers in Canada

[2] The values of incentive payments are listed beside the performance year in which they were earned; actual disbursement occurs in the following fiscal year

[3] The incentive plan value reflects performance over a four-year timeframe; actual disbursement occurs in the following fiscal year

[4] These values represent the contributions paid by bcIMC on behalf of the named individuals to the Public Service Pension Plan and the Canada Pension Plan

[5] These values include bcIMC-funded group health and welfare benefits and illness wage-loss provisions, parking, and contributions paid by bcIMC on behalf of the named individuals for legislated benefits such as Employment Insurance and Workers' Compensation. A payout of unused vacation entitlement may be included

[6] Values in this table constitute the total compensation earned by or paid on behalf of the identified individuals. All values are inclusive

[7] Gordon J. Fyfe was appointed CEO/CIO effectively July 7, 2014

[8] Dean Atkins received an acting allowance for serving in the capacity of Acting Senior Vice President, Real Estate. The amount is reflected in his other benefits

COMPENSATION CONSULTANTS AND EXTERNAL SOURCES As part of the Board's governance responsibility, it will conduct a comprehensive review of bcIMC's philosophy and compensation structure every three years.

Although the last review was held in 2013–2014, the Board expedited the review to ensure that bcIMC could attract and retain the specialized skills and expertise required to implement bcIMC's new strategic direction and prepare for managing $200 billion.

The Board retained Tim Dillon & Associates (TDA) to assist and advise them throughout the two-year compensation review process. This decision was made independent from management.

The consultant was retained to:

- conduct custom compensation surveys
- audit job evaluation plan and process
- review salary range structure and compensation policy
- review annual and long-term incentive plans (AIP and LTIP), including: competitiveness and eligibility scope for both plans, and value driver weighting structure for annual incentive plan
- assess current benefits plan and cost-effectiveness
- advise on bcIMC's revision of compensation philosophy

For investment professional roles, the Board looked at similar and/or equivalent positions within bcIMC's peer group for the custom survey. This group consists of the Alberta Investment Management Corporation (AIMCo), Caisse de depot et placement du Québec (CDPQ), the Canada Pension Plan Investment Board (CPPIB), the Ontario Municipal Employees Retirement System (OMERS), the Ontario Teachers' Pension Plan (OTPP), and the Public Sector Pension Investment Board (PSPIB). The survey included positions ranging in seniority and responsibilities.

bcIMC's investment positions were further benchmarked against data from the Towers Watson Investment Management Compensation Survey. This is a formal survey that bcIMC participates in annually. The results of these assessments were that most positions were found to be below market median on target total compensation and all positions were below market median on maximum total compensation.

Non-investment professional roles were compared to equivalent positions within the B.C. public sector for the custom survey. This included BC Assessment Authority, BC Hydro, BC Lottery Corporation, BC Transit, Insurance Corporation of BC, and WorkSafeBC, and included positions across functions such as legal, finance, human resources, and information technology. The positions were also benchmarked against surveys by Towers Watson, which included the Investment Management Compensation survey, the General Industry Executive Compensation survey and Middle Management, and the Professional & Support survey, which included additional positions such as audit, communications, and facilities. The results were that most positions were found to be at or above market median on target and maximum total compensation.

JOB EVALUATION AND CLASSIFICATION PLAN The Board approved the introduction of a job evaluation and classification plan that is based on external benchmarking and a "job family" system. The new plan will bring greater internal consistency and will measure knowledge, complexity, responsibility, and working relationships that are required of all positions. The plan consists of four job categories:

- **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 have an effect on corporate policy and performance and leadership of employees represents a significant portion of overall responsibilities
- **professional/technical:** provides advanced knowledge in 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

CLASSIFICATION PROCESS The consultant and management, along with input from bcIMC's senior leadership, determined the classifications of all positions. The job classifications for existing and new positions will be effective April 1, 2016.

COMPENSATION STRUCTURE The basic building blocks of bcIMC's compensation structure remain unchanged and will continue to include a base salary, benefits, and performance-based remuneration through an annual incentive plan (AIP) and a long-term incentive plan (LTIP) for senior roles. The Board chose to place more emphasis on a pay-for-performance structure as returns are important to our clients. For every $100 a pension plan member receives in retirement benefits, on average $75 is provided by bcIMC's investment activity.

Base Salary: The Board adopted the consultant's recommended salary ranges based on the results from the custom and published surveys. Salaries will be evaluated annually. As of fiscal 2017, progression through a range will be based on the employee's performance.

Annual Incentive Plan: All permanent employees are eligible to participate in the AIP. The plan provides staff the opportunity to receive additional compensation based on the achievements of the corporate objectives, investment performance, and individual efforts. The weighting structure (i.e. weighting assigned to each of the value drivers) of the new AIP was established by management and the CEO/CIO, and approved by the Board.

The new AIP is comprised of three value drivers for the asset class departments and two value drivers for the non-asset class departments. The weighting assigned to each of the value drivers may differ by position depending on the role of the position and its impact on corporate performance.

Asset Class Departments

Driver 1: Total Fund Performance — overall investment performance measured against industry or client-approved benchmarks. The value-added component is assessed net of investment management fees and expenses. This driver is intended to align overall investment performance with client expectations.

The Board determined not to change the basic structure of this driver. Payments will continue to be based on total fund performance with a 75 per cent weighting on multi-year total fund returns and 25 per cent weighting on annual liquid returns. This reinforces that long-term investment returns matter and ensures an alignment with bcIMC's long-term investment horizon. Given the importance of returns, the Board increased the value-add component from 50 to 100 basis points on total fund.

Driver 2: Asset Class Investment Performance — performance measured against the asset class's respective market benchmarks with a 75 per cent weighting on multi-year asset class performance and a 25 per cent weighting on annual performance. A greater weighting of total incentive pay is placed on the results of department and portfolio returns.

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

Driver 3: Individual Contribution — the employee's performance measured against the accountabilities assigned to their role as outlined in their individual scorecards. This is intended to encourage and reward high performance.

Non-Asset Class Departments

Driver 1: Total Fund Performance — overall investment performance measured against industry or client-approved benchmarks. The value-added component is assessed net of investment management fees and expenses. This driver is intended to align overall investment performance with client expectations.

The Board determined not to change the basic structure of this driver. Payments will continue to be based on total fund performance with a 75 per cent weighting on multi-year total fund returns and 25 per cent weighting on annual liquid returns. This reinforces that long-term investment returns matter and ensures an alignment with bcIMC's long-term investment horizon. Given the importance of returns, the Board increased the value-add component from 50 to 100 basis points on total fund.

The value-added objectives align with client mandates and bcIMC's investment approach. These are designed to discourage excessive risk taking.

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

Although non-asset class departments participate in the total fund performance, more emphasis is placed on individual value-add (Driver 2).

Long-Term Incentive Plan: This plan is designed to enhance the retention of senior staff with the skills and experience that will enable bcIMC's long-term success.

A comprehensive review of LTIP is scheduled for fiscal 2017. However, the Board shortened the vesting requirement from four to three years to ensure that bcIMC can attract and retain the expertise required to carry out our strategic business plan. Going forward, the credits will be allocated over three years, with a maximum installment weighting of 33.33 per cent for each year. LTIP will continue to be based on investment return performance (net of costs) over a four-year period. This becomes effective April 1, 2016 and will be retroactively applied to those staff that qualify and were hired during fiscal 2014 or later.

Benefits: The Board concluded that the benefits plan is competitive and suitable for bcIMC.

COMPENSATION PHILOSOPHY A comprehensive review and assessment of bcIMC's philosophy is scheduled for fiscal 2017. Adjustments to bcIMC's compensation structure and salary grade effective April 1, 2016, were based on general guidelines that emphasize pay for performance. This enables management to begin attracting the skill base required to move forward with bcIMC's business plan.

EFFECTIVE DATES The new job evaluation and classification plan, and compensation structure will become effective April 1, 2016. Changes to AIP will be reflected in the performance reviews in fiscal 2017, with a payment disbursement in fiscal 2018. Revisions to bcIMC's compensation philosophy and LTIP are scheduled for fiscal 2017. Any changes to the program take effect in fiscal 2018, with a payment disbursement in fiscal 2019.

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

Corporate Financial Statements

Management's Responsibility for Financial Statements

300–2950 Jutland Road,
Victoria, BC V8T 5K2

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 International Financial Reporting Standards. In management's opinion, the consolidated financial statements have been properly prepared within the framework of the significant 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 independent directors. 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.

Gordon J. Fyfe
Chief Executive Officer /
Chief Investment Officer

Gordon Cummings
Acting Senior Vice President, Finance

June 24, 2016

Independent Auditor's Report

To the Shareholder of British Columbia Investment Management Corporation

We have audited the accompanying consolidated financial statements of British Columbia Investment Management Corporation, which comprise the consolidated statement of financial position as at March 31, 2016, the consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of British Columbia Investment Management Corporation as at March 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants

June 24, 2016
Vancouver, Canada

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Consolidated Statement of Financial Position

(Expressed in thousands of Canadian dollars)
As at March 31, 2016, with comparative information for 2015

ASSETS	NOTE	2016	2015
Current assets:			
Cash and cash equivalents	4	37,629	25,381
Trade and other receivables	5	53,103	64,150
Prepaid expenses		2,855	1,873
Total current assets		93,587	91,404
Property, plant and equipment	6	12,307	8,740
Total assets		105,894	100,144

LIABILITIES AND SHAREHOLDER'S EQUITY	NOTE	2016	2015
Current liabilities:			
Trade and other payables	7, 8	56,879	56,448
Current employee benefits	9	26,179	23,993
Total current liabilities		83,058	80,441
Long-term employee benefits	10	7,013	8,892
Total liabilities		90,071	89,333
Shareholder's equity:			
General reserve		1,779	1,779
Retained earnings		14,044	9,032
Total equity		15,823	10,811
Total liabilities and shareholder's equity		105,894	100,144

Operating leases (note 11)
Contingencies (note 12)
Derivatives (note 13)

See accompanying notes to consolidated financial statements

Approved on behalf of the Board:

Director

Director

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Consolidated Statement of Income and Comprehensive Income

(Expressed in thousands of Canadian dollars)
Year ended March 31, 2016, with comparative information for 2015

REVENUE	NOTE	2016	2015
Recoveries of direct costs	14	203,090	176,220
Funds management fees		91,964	75,049
Investment income	15	346	292
		295,400	251,561

EXPENSES	NOTE	2016	2015
Direct costs	14	203,090	176,220
Salaries and benefits	8, 16	58,768	53,504
General and administrative	8, 17	17,444	12,073
Other	18	11,086	7,288
		290,388	249,085
Net income and comprehensive income		5,012	2,476

See accompanying notes to consolidated financial statements

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Consolidated Statement of Changes in Equity

(Expressed in thousands of Canadian dollars)
Year ended March 31, 2016, with comparative information for 2015

	GENERAL RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance, April 1, 2014	2,541	5,794	8,335
Transfer to (from) general reserve	(762)	762	–
Net income	–	2,476	2,476
Balance, March 31, 2015	1,779	9,032	10,811
Net income	–	5,012	5,012
Balance, March 31, 2016	1,779	14,044	15,823

See accompanying notes to consolidated financial statements

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Consolidated Statement of Cash Flows

(Expressed in thousands of Canadian dollars)
Year ended March 31, 2016, with comparative information for 2015

	NOTE	2016	2015
Cash flows provided by (used in):			
Operations:			
Net income		5,012	2,476
Items not involving cash:			
Depreciation		3,332	844
Loss on write-off of property, plant and equipment		–	60
		8,344	3,380
Changes in non-cash items:			
Trade receivables		11,177	(27,296)
Prepaid expenses		(982)	(387)
Current liabilities		2,617	32,075
Long-term employee benefits		(1,879)	(319)
		10,933	4,073
Net cash provided by operating activities		19,277	7,453
Investments:			
Furniture and equipment additions		(1,035)	(1,893)
Computers and related software additions		(2,360)	(1,172)
Leasehold improvement additions		(3,513)	(4,380)
Proceeds from disposal of property, plant and equipment		9	–
Net cash used by investing activities		(6,899)	(7,445)
Increase in cash and cash equivalents		12,378	8
Cash and cash equivalents, beginning of year		25,381	25,264
Effects of movements in exchange rates on cash and cash equivalents		(130)	109
Cash and cash equivalents, end of year	4	37,629	25,381

See accompanying notes to consolidated financial statements

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

1. REPORTING ENTITY:

The British Columbia Investment Management Corporation (the "Corporation" or "bcIMC") 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 office is Sawmill Point, 2950 Jutland Road, Victoria, BC. The consolidated financial statements of the Corporation 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 (Crown corporations and institutions) and publicly-administered trust funds.

The estimated market value of assets managed by the Corporation as of March 31, 2016 was $122 billion (2015 — $124 billion). Of that, approximately $103 billion (2015 — $104 billion) is invested on behalf of pension funds and $19 billion (2015 — $20 billion) on behalf of various publicly-administered trust funds and clients. These assets are held by bcIMC as agent for investment for its clients and may consist of units in one or more pooled investment portfolios whose assets are managed and held by the Corporation as trustee. The Corporation annually prepares separate audited financial statements for each pooled investment portfolio with more than one unitholder. Neither assets held by the Corporation as trustee of the pooled investment portfolios, nor assets held by the Corporation 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 accordance with International Financial Reporting Standards (IFRS) and were authorized for issue by the Board of Directors on June 24, 2016.

(B) BASIS OF MEASUREMENT: The consolidated financial statements have been prepared on the historical cost basis except long-term employee benefits which are measured at the present value of the expected future benefit.

(C) FUNCTIONAL AND PRESENTATION CURRENCY: These 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 conformity with IFRS 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.

3. SIGNIFICANT ACCOUNTING POLICIES:

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.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

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 per cent 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. However in all cases, these subsidiaries earn nominal income that is not material to the operations of 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 money market funds which are readily convertible to cash.

(C) FINANCIAL INSTRUMENTS: The Corporation initially recognizes loans and receivables and other liabilities on the date that they are originated. All other financial assets (including any assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Corporation is recognized as a separate asset or liability. The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Corporation classifies its non-derivative financial instruments as follows:

(i) Loans and receivables: Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The Corporation's financial assets designated as loans and receivables are comprised of cash and cash equivalents and trade and other receivables.

(ii) Other liabilities Other liabilities are recognized initially at fair value, net of transaction costs. Subsequently, other liabilities are measured at amortized cost using the effective interest method. The Corporation's financial liabilities designated as other liabilities are comprised of trade and other payables.

(D) PROPERTY, PLANT AND EQUIPMENT:

(i) Measurement: Items of property, plant and equipment 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 property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized within net income.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

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

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant 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 and interests are depreciated on a straight-line basis over the anticipated life of the lease term.

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

(E) 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.

(F) RESERVE: The Corporation maintains a general reserve for future expenditures which may be appropriated from retained earnings at the discretion of the Board of Directors. The Board has authorized access to the general reserve for the purposes of certain employee compensation payments and for errors and omissions payments.

In accordance with the Act, the Corporation must recover its operating costs and capital expenditures. The Corporation's Board of Directors may approve recoveries greater than costs and expenditures to maintain or increase the Corporation's retained earnings and general reserve.

(G) REVENUE: The Corporation's revenues comprise operating costs and capital expenditures that are recovered from: amounts charged to pooled investment portfolios and client accounts for operating costs and capital expenditures necessarily incurred by the Corporation on behalf of the pooled investment portfolios and segregated assets it manages; amounts charged to clients for services provided to those clients by the Corporation; and, income accruing from investments made by the Corporation on its own behalf.

(i) Direct costs recoveries and funds management fees: Amounts charged to the pooled investment portfolios and clients are accrued as the related costs and expenditures are incurred and as the services are provided. Fees are charged at a level that the Corporation estimates will allow it to recover all cash outlays and accrued expenses, including capital expenditures, and maintain or increase retained earnings and general reserves.

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

(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 administers 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, 2014 indicated that the Plan was 101% funded.

(ii) Long term incentive plan: The Corporation provides a retention incentive to employees in senior staff positions through a long-term incentive plan ("LTIP"). Eligible staff are entitled to their first LTIP payment in their third year of employment with the Corporation. 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, that will be paid out in years beyond the next fiscal year, are recorded as a long-term liability.

(iii) 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.

(I) LEASED ASSETS:

(i) Classification: The Corporation does not have any leases classified as finance leases where it assumes substantially all the risks and rewards of ownership. The Corporation has operating leases and they are not recognized in the statement of financial position.

(ii) Lease payments: Payments made under operating leases are recognized in net income on a straight-line basis over the term of the lease.

(J) 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.

(K) TAXATION: As a corporation whose only share is owned by Her Majesty in right of a province, the Corporation is exempt from federal income taxes. As an agent of the government of British Columbia, the Corporation is not liable to British Columbia taxation except as the government of British Columbia is liable for British Columbia taxation.

(L) NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED: A number of new standards, amendments to standards and interpretations are not yet effective for year ended March 31, 2016, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company, except for IFRS 9, *Financial Instruments*, and IFRS 16, *Leases*.

IFRS 9, *Financial Instruments* ("IFRS 9"):

IFRS 9 deals with recognition, derecognition, classification and measurement of financial instruments and its requirements represent a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value.

The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale, and loans and receivables. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Corporation intends to adopt IFRS 9 in its financial statements for the annual period beginning on April 1, 2018. Management is currently in the process of evaluating the potential effect of this standard.

IFRS 16, *Leases* ("IFRS 16"):

On January 13, 2016 the IASB issued IFRS 16. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, *Leases* ("IAS 17").

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided.

The expected adoption date and the extent of the impact of adoption of the standard have not yet been determined.

4. CASH AND CASH EQUIVALENTS:

2016	CANADIAN	U.S.	TOTAL
Cash in bank	4,454	624	5,078
Short-term money market instruments	27,227	5,324	32,551
	31,681	5,948	37,629

2015	CANADIAN	U.S.	TOTAL
Cash in bank	732	59	791
Short-term money market instruments	24,184	406	24,590
	24,916	465	25,381

Short-term money market instruments consist of units in pooled investment portfolios managed by the Corporation, specifically the Canadian Money Market Fund ST2 and the US Money Market Fund ST3.

5. TRADE AND OTHER RECEIVABLES:

	2016	2015
Pooled fund receivables	41,125	56,156
Fees receivable	9,848	7,290
Other receivables	2,130	704
	53,103	64,150

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

6. PROPERTY, PLANT AND EQUIPMENT:

PROPERTY, PLANT AND EQUIPMENT:	FURNITURE & EQUIPMENT	COMPUTERS & RELATED SOFTWARE	LEASEHOLD IMPROVEMENTS & INTERESTS	TOTAL
Cost:				
Balance, April 1, 2014	624	3,022	2,461	6,107
Additions	1,893	1,172	4,380	7,445
Disposals	(500)	–	(1,676)	(2,176)
Balance, March 31, 2015	2,017	4,194	5,165	11,376
Additions	1,035	2,360	3,513	6,908
Disposals	–	–	(171)	(171)
Balance, March 31, 2016	3,052	6,554	8,507	18,113
Accumulated depreciation:				
Balance, April 1, 2014	470	1,714	1,724	3,908
Depreciation for the year	64	433	347	844
Disposals	(440)	–	(1,676)	(2,116)
Balance, March 31, 2015	94	2,147	395	2,636
Depreciation for the year	273	611	2,448	3,332
Disposals	–	–	(162)	(162)
Balance, March 31, 2016	367	2,758	2,681	5,806
Carrying amounts:				
March 31, 2015	1,923	2,047	4,770	8,740
March 31, 2016	2,685	3,796	5,826	12,307

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

7. TRADE AND OTHER PAYABLES:

	2016	2015
Direct cost payable	34,867	43,104
Trade accounts payable	10,840	13,344
Other payables	11,172	–
	56,879	56,448

8. RELATED PARTIES:

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

A portion of the Corporation's expenses is paid to related parties. These amounts, which are included in general and administrative expenses, are as follows:

	2016	2015
Systems operations	133	306
Office and business	9	27
	142	333

Related party transactions included in trade and other payables are as follows:

	2016	2015
Systems operations	44	34
	44	34

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

Key management personnel compensation:

	2016	2015
Base salary	3,237	3,130
Annual incentive plan	3,380	3,737
Long-term incentive plan	2,968	2,554
Other benefits	636	605
Post employment benefits - pension contributions	373	332
	10,594	10,358
Other non-recurring	–	1,669
	10,594	12,027

9. CURRENT EMPLOYEE BENEFITS:

	2016	2015
Regular employee benefits	2,552	1,696
Annual incentive plan/long term incentive plan	23,306	22,029
Long service retiring allowance	321	268
	26,179	23,993

10. LONG TERM EMPLOYEE BENEFITS:

2016	LTIP	LSRA	TOTAL
Accrued employee obligations	13,842	1,231	15,073
Less: short term portion included in current employee benefits	(7,739)	(321)	(8,060)
	6,103	910	7,013

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

2015	LTIP	LSRA	TOTAL
Accrued employee obligations	14,354	1,123	15,477
Less: short term portion included in current employee benefits	(6,317)	(268)	(6,585)
	8,037	855	8,892

11. OPERATING LEASES:

The Corporation leases office space under various operating leases which expire in 2017 and 2025 subject to various renewal options contained within the lease agreements.

During the year, the Corporation entered into an arm's length lease agreement to rent office space in a new downtown Victoria, BC head office building. The lease is expected to take effect in February 2018, following the completion of construction of the new building. It is anticipated that the existing office space leases will be assigned.

Subsequent to the execution of the lease, bcIMC Realty Corp. invested in the office development project, becoming a 50% co-owner. bcIMC Realty Corp. is a related party to the Corporation as it is wholly owned by a pooled investment portfolio managed by the Corporation.

The initial term of the new building lease is for twenty years, with three renewal options of five years each.

Future minimum lease payments based on current estimates of total rentable area of the new head office space, are as follows:

	2016	2015
Less than 1 year	2,746	2,756
Between 1 and 5 years	38,750	11,079
More than 5 years	179,233	14,031
	220,729	27,866

The Corporation has assigned portions of the lease to third parties at its current location effective February 2018, resulting in the following net future minimum lease payments:

2016	GROSS	ASSIGNED	NET
Less than 1 year	2,746	–	2,746
Between 1 and 5 years	38,750	8,532	30,218
More than 5 years	179,233	11,796	167,437
	220,729	20,328	200,401

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

12. CONTINGENCIES:

The Government of Canada contests bcIMC's immunity from the imposition of goods and services tax under the *Excise Tax Act*, in respect of supplies to its pooled investment portfolios. In 2009, bcIMC was advised that Canada was in discussions with the Province regarding the application of goods and services tax and/or harmonized sales tax ("HST/GST") to costs recovered by bcIMC from assets held by bcIMC in pooled investment portfolios. In December 2013 bcIMC filed a petition in the Supreme Court of British Columbia seeking a declaration confirming its crown immunity in respect of HST/GST relating to costs recovered from assets held in pooled investment portfolios. The Supreme Court hearing of the petition is partially completed and will conclude at the end of June 2016.

In November 2015 the Minister of National Revenue issued HST/GST re-assessments totaling $49,110,278 for the period July 1, 2010 to March 31, 2013. This re-assessed amount comprises HST/GST payable of $41,455,513, and interest and penalties totaling $8,672,733, less a previously made payment of $1,017,968 in December 2013. The Corporation has filed a Notice of Objection and provided the CRA an unsecured letter of credit for $51,528,820 covering the re-assessment amount plus additional interest to February 26, 2017.

Management is of the opinion that the Court will not deny bcIMC the ability to rely on its statutory crown immunity, and has therefore not accrued any liability for tax. However, if the Supreme Court determines that supplies to bcIMC's pooled investment portfolios are taxable under the *Excise Tax Act*, bcIMC estimates the cumulative HST/GST owing for the period from July 1, 2010 to March 31, 2016 to be in the range of $80,000,000 to $90,000,000, including interest and penalties. This amount would be recoverable from the pooled investment portfolios.

13. DERIVATIVES:

Derivative financial instruments are financial contracts that are settled at a future date. The value of such instruments is derived from changes in the value of the underlying assets, interest or exchange rates. Derivative financial instruments do not, typically, require an initial net investment. Derivative financial instruments can be listed or traded over-the-counter ("OTC"). OTC instruments consist of those that are bilaterally negotiated and settled, and those that are cleared ("OTC cleared") by a central clearing party.

The Corporation enters into derivative transactions for the benefit of its clients and pooled investment portfolios to manage exposure to currency fluctuations, to enhance returns, or to replicate investments synthetically. As the Corporation does not have any beneficial interests in these derivative contracts, the contracts are not recognized in these financial statements. However, as the contracting party under these agreements, in the event that a pool or client failed to satisfy the obligations under a derivative transaction, the Corporation is liable to settle the transactions with its counterparties. Management believes that such an event is highly unlikely as investment grade fixed income securities are maintained by the pool or fund sufficient to cover such contracts. In addition, counterparty risk is minimized through the use of credit support agreements for OTC products that require collateral for net receivable positions, which are settled daily.

As at March 31, 2016, the various forward currency, equity and fixed income contracts entered into on behalf of clients or pooled investment portfolios had an unrealized gain of $314.3 million on a notional value of $8.7 billion (2015 — an unrealized loss of $158.4 million on a notional value of $7.6 billion).

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

Notional values under the current agreements are as follows:

	2016	2015
OTC:		
Currencies:		
US dollar	5,696,492	4,632,180
Euro	1,558,304	2,154,618
British pound	679,131	381,624
Japanese yen	224,483	226,433
Other currencies	176,488	173,812
Equities	211,639	–
Listed:		
Equities	95,784	115,934
Fixed income	9,170	–
	8,651,491	7,684,601

There were no OTC-cleared contracts outstanding at March 31, 2016 or March 31, 2015.

Notional values do not represent the potential gain or loss associated with the market or credit risk of such transactions. Rather, they serve as the basis upon which the cash flows and the fair value of the contracts are determined.

The outstanding derivative contracts were entered into with nine (2015 — eight) counterparties. The terms of the agreements provide for right of offset with each counterparty. Net counterparty receivables and payables at March 31 are:

	2016	2015
Receivables	325,101	58,506
Payables	(10,816)	(216,908)
	314,285	(158,402)

The Corporation held collateral of $9.1 million (2015 — $nil) to secure the net receivable position. The counterparties for swap contracts are limited to those with at least an "AA-" credit rating.

All transactions mature within 1 year.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

14. DIRECT COSTS AND RELATED RECOVERIES:

Direct costs related to providing funds management services on behalf of pooled investment portfolios or clients' segregated investments are recovered directly from those entities and clients. These direct costs are shown as expenses, and the recovery of these costs as revenue, in the Consolidated Statement of Income and Comprehensive Income.

The breakdown of direct costs is as follows:

DIRECT COSTS	2016	2015
Investment	178,702	158,236
Custodial	12,788	11,645
Legal, audit, and other	11,600	6,339
	203,090	176,220

Direct costs do not include pursuit and divestiture costs associated with the costs of buying and selling certain illiquid investments held within the pooled investment portfolios. These costs are reflected in the applicable pooled investment portfolios. These costs for the year ended March 31, 2016 totaled $7,513,669 (2015 — $15,745,988).

15. INVESTMENT INCOME:

	2016	2015
Interest	19	4
Money market	327	288
	346	292

16. SALARY AND BENEFITS:

	2016	2015
Salaries	31,719	27,153
Benefits	5,622	4,634
Annual incentive plan	15,619	15,732
Long-term incentive plan	5,808	5,985
	58,768	53,504

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

Benefits are comprised of:

	2016	2015
Medical and dental	1,356	1,080
Pension	2,911	2,451
Retirement allowance	133	118
Insurance and other	1,222	985
	5,622	4,634

17. GENERAL AND ADMINISTRATIVE COSTS:

	2016	2015
Systems operations (note 8)	9,937	7,545
Office and business (note 8)	3,657	2,301
Rent	3,136	1,554
Insurance	714	673
	17,444	12,073

18. OTHER EXPENSES:

	2016	2015
Professional services	4,928	4,405
Recruitment and training	2,322	946
Depreciation	3,332	844
Errors and omissions	–	762
Board costs	504	271
Write-off of property, plant and equipment	–	60
	11,086	7,288

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

19. FAIR VALUE OF FINANCIAL INSTRUMENTS:

The fair value of the Corporation's financial instruments which includes cash and cash equivalents, trade and other receivables, trade and other payables, and current employee benefits approximates their carrying value due to the short-term to maturity of these 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, which are measured at amortized cost are considered Level 2 because while observable prices are available, they are not quoted in an active market.

20. 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 equivalents consist of units in money market investment portfolios managed by the Corporation. The 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.

Due to the Corporation's role as fund manager for the pooled investment portfolios and the highly liquid nature of the Corporation's cash equivalents, management does not believe the Corporation is exposed to significant 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. Accordingly, management does not believe that the Corporation is exposed to significant liquidity risk.

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

MARCH 31, 2016	WITHIN 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	TOTAL
Trade and other payables	56,879	–	–	–	56,879
Regular employee benefits	2,552	–	–	–	2,552
Annual incentive plan / LTIP	23,306	6,103	–	–	29,409
LSRA	321	143	422	345	1,231
	83,058	6,246	422	345	90,071

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Notes to Consolidated Financial Statements

(Tabular amounts expressed in thousands, unless otherwise indicated)
Year ended March 31, 2016

MARCH 31, 2015	WITHIN 1 YEAR	1 TO 5 YEARS	5 TO 10 YEARS	OVER 10 YEARS	TOTAL
Trade and other payables	56,448	–	–	–	56,448
Regular employee benefits	1,696	–	–	–	1,696
Annual incentive plan / LTIP	22,029	8,037	–	–	30,066
LSRA	268	195	362	298	1,123
	80,441	8,232	362	298	89,333

(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. The Corporation does not hold significant net financial assets nor have significant net financial obligations denominated in currencies other than Canadian dollars. Accordingly, management does not believe the Corporation is exposed to significant currency risk. Cash and cash equivalents denominated in US dollars are disclosed in note 4.

(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. As investment earnings are not material, management does not believe the Corporation is exposed to significant interest rate risk.

(E) OTHER PRICE RISK: Other price risk is the risk that the fair value of the Corporation's financial instruments will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risk. Management does not believe the Corporation's financial instruments are exposed to significant other price risk.

21. CAPITAL MANAGEMENT:

The Corporation's capital consists of general reserve and retained earnings. From time to time, the Corporation's Board of Directors may approve recoveries greater than costs to maintain or increase the Corporation's retained earnings and general reserve.

Our External Managers and Partners

AUDITORS

- Ernst & Young LLP
- KPMG LLP

GLOBAL CUSTODIAN

- RBC Investor & Treasury Services

LEGAL ADVISORS

- Garvey Schubert Barer
- Lawson Lundell LLP
- McCullough O'Connor Irwin LLP
- Otterspeer, Haasnoot & Partners
- Skadden, Arps, Slate, Meagher & Flom LLP

MORTGAGES

- CMLS Financial Ltd.
- Tricon Capital Group Inc.
- Murray & Company Limited
- First National Financial LP

PRIVATE MARKETS

- Adams Street Partners, LLC
- Advent International Corporation
- AEA Investors LP
- Affinity Equity Partners
- Apollo Global Management, LLC
- Archer Capital
- ArcLight Capital Partners, LLC
- AsiaVest Partners TCW/YFY (Taiwan) Ltd.
- Azimuth Capital Management
- Bain Capital, LLC
- Banyan Capital Partners
- BC Partners Limited
- Birch Hill Equity Partners Management Inc.
- The Blackstone Group L.P.
- Bonnefield Finanical Inc.
- Bridgepoint
- Brookfield Asset Management Inc.
- CAI Private Equity
- Callisto Capital LP
- Canaan Partners
- The Carlyle Group
- Cartesian Capital Group, LLC
- Castik Capital
- Castlelake, L.P.
- Celtic House Venture Partners Inc.
- Cinven Partners LLP
- CVC Capital Partners
- CVC Capital Partners Asia II Limited
- Energy Capital Partners
- First Reserve Corporation
- FountainVest Partners
- Francisco Partners
- Fulcrum Capital Partners
- Greenstone Venture Partners
- GTCR, LLC
- H&Q Asia Pacific
- HarbourVest Partners, LLC
- Hellman & Friedman LLC
- Highstar Capital
- IK Investment Partners India Value Fund Advisors
- Leonard Green & Partners, L.P.
- Macquarie Infrastructure and Real Assets
- MatlinPatterson Global Advisors LLC
- McKenna Gale Capital Inc.
- McLean Watson Capital
- Merit Capital Partners
- MWI & Partners Inc.
- Navis Capital Partners
- New Mountain Capital, LLC
- Newbridge Capital Investments Ltd.
- Newstone Capital Partners, LLC
- Northstar Advisors Pte. Ltd.
- Oaktree Capital Management, L.P.
- Orchid Asia Group Management, Ltd.
- Pacven Walden, Inc.
- PAI Partners SAS
- Pantheon Ventures (UK) LLP
- Parallel49 Equity
- Penfund
- PineBridge Investments
- Polaris Partners
- Richardson Capital Limited
- RRJ Capital
- Riverstone Holdings LLC
- Synectic Ventures LLC
- TA Associates Management, L.P.
- Tailwind Capital Group, LLC
- TIAA CREF Financial Services
- TorQuest Partners
- TPG Capital
- Trimble Hill Management Inc.
- TriWest Capital Partners
- Turkven
- Vanedge Capital
- Warburg Pincus LLC.
- Wayzata Investment Partners
- Wellspring Capital Management LLC
- Yaletown Venture Partners

PUBLIC EQUITIES

- Aberdeen Asset Management PLC
- Acadian Asset Management Inc.Allianz Global Investors Asia Pacific Limited
- APS Asset Management Pte. Ltd.
- BlackRock Asset Management Canada Limited
- Connor, Clark & Lunn Investment Management Ltd.
- Corston-Smith Asset Management Sdn Bhd
- GE Asset Management Incorporated
- Fidelity Investments Canada ULC
- Frontier Capital Management Co., LLC
- J.P. Morgan Asset Management (Canada) Inc.
- Meritz Asset Management Co. Ltd.
- Moneda Asset Management
- Oechsle International Advisors, LLC
- Pier 21 Asset Management Inc./ Carnegie Asset Management Fondsmaeglerselskab A/S
- Pyramis Global Advisors
- Pyrford International Ltd
- Quantum Advisors Private Limited, India
- Red Gate Asset Management Company Limited
- Schroder Investment Management (Hong Kong) Limited
- Van Berkom and Associates Inc.
- Vontobel Asset Management, Inc.
- Walter Scott & Partners Limited
- Wellington Management Company LLP

REAL ESTATE

- Apex Land LP
- AXA Investment Managers
- Bentall Kennedy
- BlackRock Inc.
- Brookfield Asset Management Inc.
- Clarion Partners
- Cresford Developments
- Gables Residential
- GreenOak
- Doughty Hanson & Co.
- Fairfield Residential Company LLC
- GWL Realty Advisors Inc.
- Hines
- Industrial Property Trust
- Invesco Ltd.
- KPMG LLP
- LaSalle Investment Management
- Lennar Multifamily Communities
- Parkbridge Lifestyle Communities Inc.
- PWC
- Realstar Group
- SilverBirch Management Ltd.
- The Jawl Group

Our Executive Management Team

Gordon J. Fyfe
Chief Executive Officer / Chief Investment Officer

Steve Barnett
Chief Operating Officer

Shauna Lukaitis
Acting Chief Operating Officer

Dean Atkins
Senior Vice President, Mortgages / Acting Senior Vice President, Real Estate

Paul Flanagan
Senior Vice President, Fixed Income & Foreign Exchange

Norine Hale
Senior Vice President, Human Resources

Lynn Hannah
Senior Vice President, Consulting & Client Services

Michelle Ostermann
Senior Vice President, Investment Risk, Strategy & Research

Bryan Thomson
Senior Vice President, Public Equities

Lincoln Webb
Senior Vice President, Private Markets

ECO-AUDIT
ENVIRONMENTAL BENEFITS STATEMENT

The bcIMC annual report is printed with vegetable-based inks, on paper that is made from 100 per cent post-consumer recycled content. The stock is manufactured with renewable, non-polluting, wind-generating electricity, and is sourced from certified suppliers that support the growth of responsible forest management. By using this environmentally friendly paper, bcIMC has saved the following resources:

trees	water	solid waste	greenhouse gases	energy
12	**21,953**	**177**	**486**	**6**
fully grown	litres	kilograms	kilograms	million BTU

Environmental impact estimates were made using the Environmental Paper Network Calculator.
For more information visit http://calculator.environmentalpaper.org

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We welcome your comments and suggestions on our annual report.

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BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

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