



bcIMC Reports 12.4% Annual Return For Fiscal 2017

*Generated additional \$680 million in added value
and increased assets under management by \$13.6 billion*

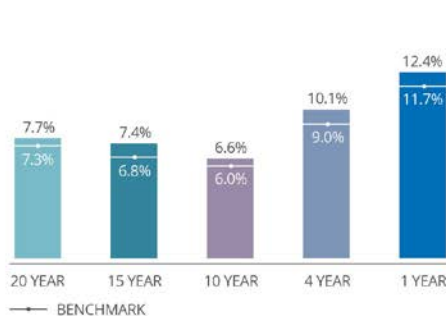
Victoria, British Columbia, July 18, 2017 — The British Columbia Investment Management Corporation (bcIMC) today announced an annual combined pension return, net of costs, of 12.4 per cent for the fiscal year ended March 31, 2017, versus a combined market benchmark of 11.7 per cent. This generated \$680 million in added value for bcIMC’s pension plan clients.

Infrastructure, private equity, real estate, and renewable resources outperformed for the calendar year and delivered above-benchmark returns. Tactical decisions to underweight fixed income in favour of public equities provided value-added returns. A key contributor was the outperformance of global equities relative to their benchmark. In a low return environment for fixed income, the decision to underweight nominal bonds added value and was further enhanced by outperformance relative to the benchmark. Strong performance in illiquid asset investments also provided value-add.

“I am proud of the bcIMC team and the strategic investment decisions they made to generate \$680 million in additional value, as well as deploying new capital into long-term investments. This is a significant contribution to securing our clients’ financial futures,” said Gordon J. Fyfe, bcIMC’s Chief Executive Officer and Chief Investment Officer. “Although annual returns provide us with a short-term perspective, it is the longer term that matters. Over the twenty-year period, we have exceeded their actuarial return requirements and have added \$7.7 billion in cumulative value add.”

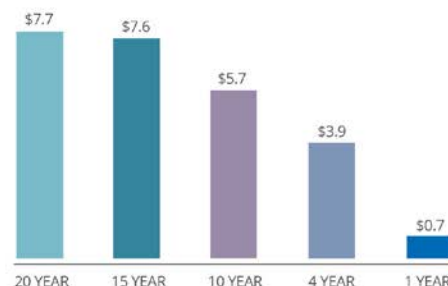
bcIMC ANNUALIZED PENSION RETURNS

Returns for the periods ended March 31, 2017¹



CUMULATIVE VALUE ADDED BY bcIMC (\$ billion)

Total pension portfolio return minus benchmark return for the periods ended March 31, 2017



¹ Balanced portfolio returns are shown net of fees

Fiscal 2017 Highlights

- Committed \$9.9 billion to illiquid assets — infrastructure, mortgages, private equity, and real estate
- Established QuadReal Property Group, a real estate asset and property manager 100 per cent owned by bcIMC
- Transitioned \$2.8 billion of externally managed public equity funds to bcIMC
- Raised \$750 million in debt financing for our real estate program
- Expanded the team by 74 and added expertise in asset management, data governance, derivatives, illiquid assets, portfolio management, quantitative analysis, and tax

“We are required to work in our clients’ best financial interests, and it influences our strategies, asset selection, and operations,” said Fyfe. “bcIMC’s new investment model emphasizes a greater degree of active management over indexing strategies, and creating new and diversified sources of market return and active return to increase the probability of meeting our clients’ actuarial rate of return.”

bcIMC’s operating costs were 24.2 cents per \$100 of net assets under management; compared to 23.7 cents in fiscal 2016. Costs incurred on our behalf by third parties and netted against investment returns are not included in operating costs. Our strategy refocuses bcIMC to become an in-house asset manager that uses sophisticated investment strategies and tools. By increasing the percentage of assets managed by bcIMC’s investment professionals, we will transition from a reliance on third parties to a more cost-effective model of managing illiquid assets.

In fiscal 2017, bcIMC increased our managed net assets to \$135.5 billion, an increase of \$13.6 billion from the previous year. bcIMC’s asset mix as at March 31, 2017 was as follows: Public Equities (48.3 per cent or \$65.5 billion); Fixed Income (19.2 per cent or \$26.0 billion); Real Estate (13.5 per cent or \$18.2 billion); Infrastructure (8.1 per cent or \$11.0 billion); Private Equity (5.8 per cent or \$7.8 billion); Mortgages (2.1 per cent or \$2.9 billion); Other Strategies—All Weather (1.5 per cent or \$2.1 billion); and Renewable Resources (1.5 per cent or \$2.0 billion). bcIMC’s 2016–2017 Annual Report is available on our website at www.bcimc.com.

About bcIMC

With \$135.5 billion of managed assets, British Columbia Investment Management Corporation (bcIMC) is a leading provider of investment management services to British Columbia’s public sector. We generate the investment returns that help our institutional clients build a financially secure future. With our global outlook, we seek investment opportunities that convert savings into productive capital that will meet our clients’ risk/return requirements over time. We offer investment options across a range of asset classes: fixed income; mortgages; public and private equity; real estate; infrastructure; and renewable resources.

Contact

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