

Investing in the Future

2008 – 2012

Business Plan Summary

May 2008



Investment
Management
Corporation



Dear Client

bcIMC is client-focused and results-oriented organisation, and exercises the highest standards of prudence and fiduciary responsibility when managing our clients' assets.

Our business plan provides a blueprint for meeting the investment needs and return expectations of our clients. It sets the priorities and identifies the values that will guide our investment activities and business relationships.

We have identified five focus areas (known as pillars) and specified the ultimate purpose (goal) of the activities that are undertaken within each area. Our intentions and expected results are also outlined. This framework allows for bcIMC management and staff to identify the initiatives to be undertaken in pursuit of the objectives of our Business Plan.

This document is a summary of our comprehensive Business Plan.



Sid Fattedad

Chair, bcIMC Board of Directors

May 21, 2008



Doug Pearce

**Chief Executive Officer and
Chief Investment Officer**

May 21, 2008

About bcIMC

bcIMC offers investment services to public sector clients in British Columbia. Based in Victoria, B.C., bcIMC has industry-leading investment expertise in public equities, fixed income, mortgages, real estate, private placements, currency and infrastructure investment. bcIMC is governed by a seven-member board of directors representing our clients and chaired by a representative appointed by the Minister of Finance.

bcIMC has a skilled team of in-house professionals and external globally based managers that address the needs of our clients. Our clients include:

- the trustees and governing fiduciaries of pension plans and other managed funds, to whom bcIMC is accountable for their funds' investment performance; and
- beneficiaries of managed trust funds. A significant majority of the assets under administration (i.e. 84 percent) are trust funds and are managed in the best financial interests of the beneficiaries.

bcIMC operates within a dual accountability framework. The Board of Directors provides operational oversight, while the governing fiduciaries of client funds establish their own Statement of Investment Policy and Procedures and are responsible for investment oversight. The Chief Executive Officer/ Chief Investment Officer is responsible for the day-to-day duties related to the management of the corporation and its funds, reporting to the governing fiduciaries on client investment performance, and to the bcIMC Board of Directors on corporate performance.

Within the legal framework of the *Public Sector Pension Plans Act*, the Board oversees the management of bcIMC and ensures that the corporation has the strategies and resources to achieve its mandate. While the Board is legislatively prohibited from any involvement in the day-to-day investment decisions of bcIMC, it does have a broader oversight responsibility in respect of the actions that bcIMC undertakes to meet our clients' investment return expectations as outlined in their Statement of Investment Policy and Procedures.

We offer our client a comprehensive portfolio of services:

Investment Management

- Portfolio management
- Asset mix management
- Currency hedging and overlay
- Trade execution
- Settlement and custody of securities
- Security lending
- Selection and management of external managers

Investment Management Administration

- Investment accounting and reporting
- Performance reporting
- Responsible investing reporting
- Cash management services

Risk Management

- Risk analysis and measurement
- Credit reviews and monitoring

Investment Consulting

- Economic and market analysis
- Asset liability studies
- Investment policy analysis
- Investment advice
- Legal, regulatory, and policy compliance

Corporate Governance

- Proxy voting
- Engagement

Investment Education

- New trustee orientation
- Trustee conferences and events

bcIMC's Strategic Context

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

Respect: We treat others with courtesy, professionalism and dignity

Integrity: We act fairly and ethically in all our dealings

Honesty: We are sincere and candid in our accountability to clients and other stakeholders

Trust: We earn client confidence by acting with prudence, diligence and transparency

Our Operating Principles

Principles		How We Will Achieve This...
Encourage clear, open communication		Provide accurate information and engage stakeholders in discussions
Simplify and clarify		Describe and explain our products and services in a simple and understandable way
Look ahead		Be innovative, proactive and committed
Exceed expectations		Continually aim to achieve high standards
Be cost effective		Be financially prudent and avoid unnecessary expenditures
Value people		Provide opportunities for growth and development

Our Investment Principles

Principles		How We Will Achieve This...
Value-added investment performance		Aim to exceed industry recognized performance benchmarks and total fund actuarial returns
Maintain the integrity of our investment processes		Set diversification, discipline and due diligence guidelines for our processes
Customize investment strategies		Tailor strategies to reflect our client objectives, time horizon, risk tolerance, legal constraints and liquidity requirements
Diversity in style		Make use of quantitative/index style management techniques and active management
Prudently preserve capital and manage risk		Exercise good judgement in line with our fiduciary objective
Shareholder engagement		Monitor governance of companies in which we invest, providing support and intervening where necessary
Recognize our responsibility to society		Balance our consideration of governance, social and environmental issues with our fiduciary responsibilities
Manage and mitigate enterprise-wide risks		Establish a robust enterprise-wide risk management system

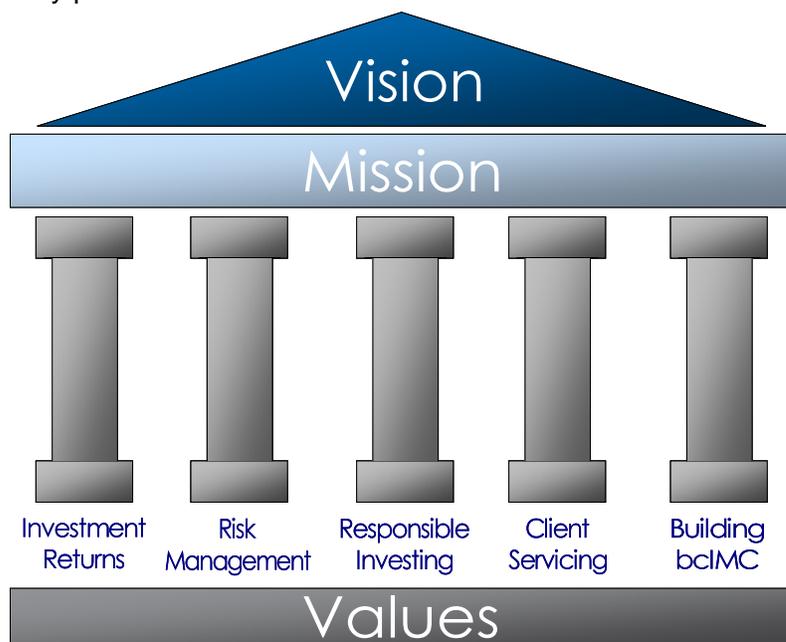
Our Strategic Focus Areas

Our Business Plan provides a blueprint for meeting the investment needs of our clients and fulfilling our core mandate of providing value added investment management services. It sets the priorities and key initiatives for each fiscal year and guides our business relationships and interactions.

bcIMC's activities are focused on five key pillars:

- Investment Returns;
- Risk Management;
- Responsible Investing;
- Client Servicing; and
- Building bcIMC.

Each pillar has a strategic goal that defines the ultimate purpose of the activities undertaken within each pillar. bcIMC's intentions are outlined through the "We Will" section, and the expected results, performance standards are also specified. bcIMC's Board and management monitors the implementation of our Business Plan and ensures that bcIMC's resources are used in an effective and efficient manner.



Pillar One: Investment Returns

Goal

To meet or exceed our clients' investment return expectations, subject to their tolerance for risk, net of costs.

We Will

1. Re-examine our investment strategies and practices to increase value added alpha.
2. Consistently review product lines to increase effectiveness, provide efficiencies and to enhance returns.
3. Increase exposure to real assets.
4. Examine new asset classes and investment strategies.

Expected Results

Value-added investment performance, given our clients' tolerance for risk.

Pillar Two: Risk Management

Goal

To continually identify and manage enterprise-wide risks that could affect investment outcomes, and impact operational efficiency as well as our reputation.

We Will

1. Consistently enhance enterprise-wide risk frameworks and processes.
2. Continue to identify and manage our enterprise-wide risks (including credit, environmental, legal, market, and operational) that affect our investments and our operational efficiency.
3. Regularly review and evaluate our risk management frameworks.
4. Report on risks and the management of risks.

Expected Results

Funds under management are better protected, our operations are sound, and trust in bcIMC remains unchallenged.

Pillar Three: Responsible Investing

Goal

To provide leadership in corporate governance and responsible investing.

We Will

1. Monitor and promote high standards of governance, environmental and social responsibility in our portfolio of companies, recognizing that the proper management of these factors contributes to business growth and stability.
2. Recognize our responsibility to the broader society through our governance, social and environmental related activities.
3. Continue to collaborate with recognized organizations and institutions to develop policy and bring about corporate governance reform where necessary.

Expected Results

To be recognized as a leader in corporate governance and responsible investing.

Pillar Four: Client Servicing

Goal

A culture of client service throughout the corporation that enables the provision of high quality service and builds a life long partnership with clients.

We Will

1. Establish a culture that places our clients at the forefront of our activities and introduce practices to reinforce the client service value throughout our structure, activities, and performance metrics.
2. Establish an integrated client service platform throughout the corporation.
3. Offer product lines and processes that suit the investment objectives of our clients.

Expected Results

Exceed our clients' service expectations resulting in satisfied clients viewing bcIMC as the partner of choice.

Pillar Five: Building bcIMC

Goal

A client-focused, results-oriented, innovative and knowledgeable team, with efficient systems and technology, operating at a reasonable cost, and with sound governance.

We Will

1. Create a collaborative working environment and experience that attracts future employees, retains existing employees, and encourages professional development.
2. Continue to review and seek opportunities to improve operational and IT-related efficiencies.
3. Review our operations to enhance our competitive cost base.
4. Ensure that Board governance practices are consistent with bcIMC's legislated mandate and good governance practices.
5. Recognize our responsibility to the broader society by reducing our environmental footprint and playing an active role in our local community.

Expected Results

A well-governed corporation characterized by a highly motivated and efficient workforce, supported by cost effective processes, and responsive and solution-focused IT infrastructure.

This page is intentionally left blank



Investment
Management
Corporation

British Columbia Investment Management Corporation
301-2940 Jutland Road, Victoria BC, Canada V8T 5K6
Web www.bcimc.com Email communications@bcimc.com
Phone 250.356.0263 Facsimile 250.387.7874