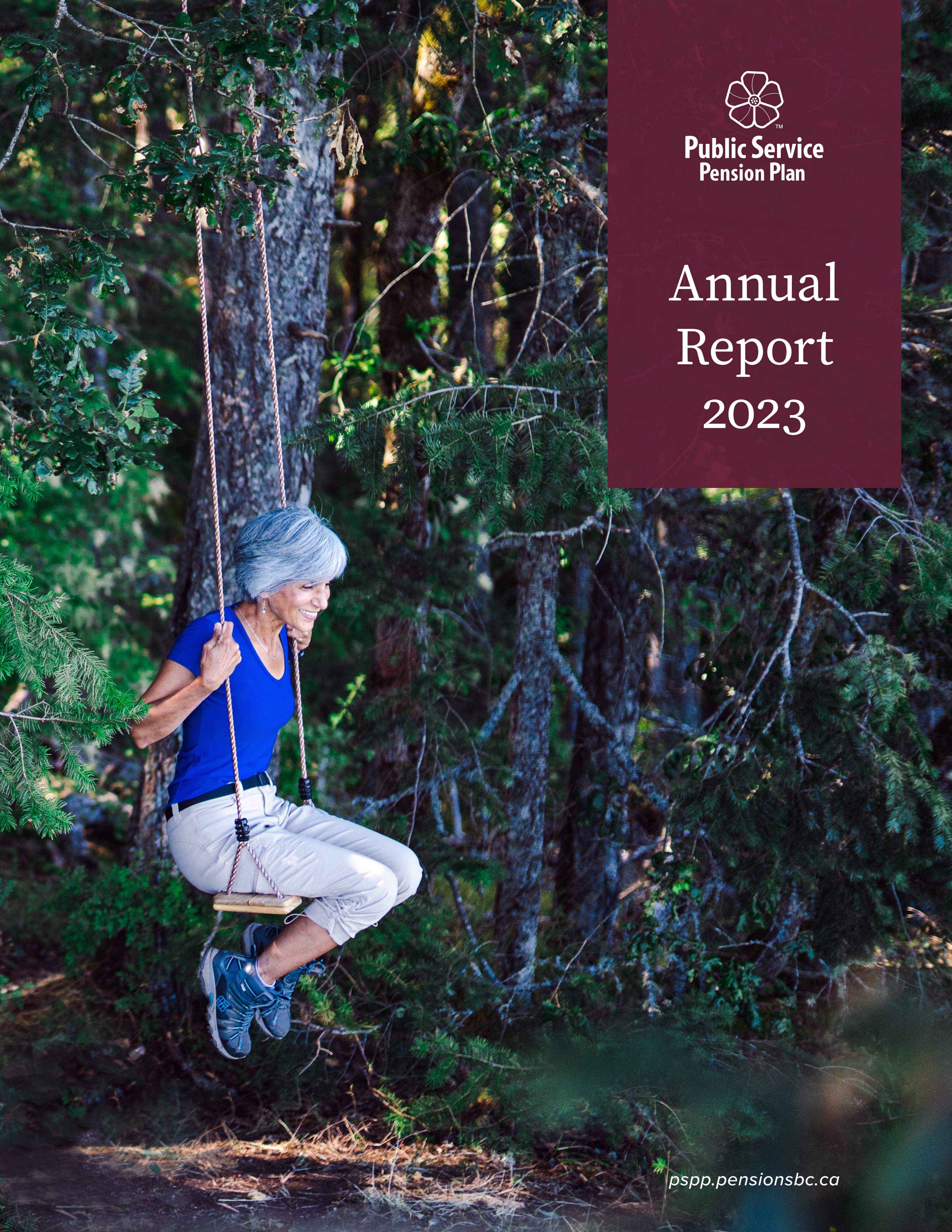

Public Service Pension Plan

Annual Report 2023

pspp.pensionsbc.ca

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A message from your trustees

Responsible investments responsibly managed

The Public Service Pension Plan's funds grew to $42 billion over the last fiscal year. The plan's investment portfolio returned 3.8 per cent against the benchmark return of 2.8 per cent. The portfolio also exceeded its long-term actuarial return of 6.0 per cent, earning 7.5 per cent over 5 years and 8.9 per cent over 10 years.

Our members count on us to deliver their lifetime pensions and govern the plan in a way that maximizes value and long-term sustainability. Members want to have absolute confidence that their pensions will be there for them when they are ready to retire, whether it's next year or decades from now.

Members also want to know their pension investments are managed responsibly. We occasionally get questions from members about how their pension funds are invested, and how the board and our investment agent, British Columbia Investment Management Corporation (BCI), include environmental, social and governance (ESG) factors into investment decisions.

As pension trustees, we have a fiduciary duty to act in the best financial interests of all plan members (and their beneficiaries) when investing the plan's funds. This is a guiding principle in all we do. We also believe that sound ESG practices support the long-term financial interests of plan members.

With our support, BCI integrates ESG considerations into investment analysis and decision making, and reports to us regularly on its progress. Our investment approach is working: it's helped the plans assets to grow to more than $42 billion.

To help members better understand our work on responsible investment, we've expanded the investment section on the plan's website: **pspp.pensionsbc.ca**. Members can find information there on fund management, how investment decisions are made, and our transparency and assessment reports from the UN-supported Principles for Responsible Investment. We encourage anyone interested to review this information and to read BCI's Climate Action Plan.

Members can be confident the plan's investment approach will see their pension fund remain sustainable well into the future. The plan's next valuation is as at March 31, 2023, and the valuation report is in development. We will share details with members and employers in winter 2024 and report the findings in the next *Annual Report*.

*Find BCI's Climate Action Plan and ESG Annual Report at **bci.ca**.*

Trustee information

Who we are

The plan is jointly sponsored, managed by trustees appointed by the employer partner (Province of British Columbia), the active member partner (British Columbia General Employees' Union) and the retired member appointing body (British Columbia Government Retired Employees' Association). The trustees themselves appoint a chair and vice-chair. The board appoints trustees to serve as directors of BC Pension Corporation, the plan's administrative agent, and British Columbia Investment Management Corporation (BCI), the plan's investment agent.

During the fiscal year, Chan-Seng Lee and Harpinder Sandhu served as directors of BC Pension Corporation, and Paul Finch served as a director of BCI. Learn about the trustees and their backgrounds at **pspp.pensionsbc.ca/board-trustees**.

Tom Vincent, chair
Appointed by: Province of British Columbia
Committees: Benefits, Interplan Investment (chair), Interplan Trustee Education, Responsible Investment
Board term: 2009–present

Maria Middlemiss, vice-chair
Appointed by: British Columbia General Employees' Union
Committees: Benefits (chair), Communications, Governance, Interplan Coordination (chair)
Board term: 2017–present

Alyson Blackstock
Appointed by: Province of British Columbia
Committees: Benefits, Governance (chair)
Board term: 2018–present

Trustee information

Wanda Boden
Appointed by: Province of British Columbia (nominated by the British Columbia Excluded Employees' Association)
Committees: Benefits, Interplan Audit (chair)
Board term: 2019–present

Joanne Carpendale
Appointed by: Province of British Columbia
Committees: Benefits, Interplan Investment
Board term: 2021–present

Troy Clifford
Appointed by: British Columbia General Employees' Union (nominated by the unions, other than the BCGEU, that collectively bargain on behalf of plan members)
Committees: Benefits, Communications (chair), Governance, Interplan Trustee Education
Board term: 2017–present

James Coccola
Appointed by: British Columbia General Employees' Union
Committees: Benefits, Communications, Responsible Investment
Board term: 2021–present

Doug Dykens
Appointed by: British Columbia General Employees' Union
Committees: Benefits, Governance, Responsible Investment
Board term: 2019–present

Paul Finch
Appointed by: British Columbia General Employees' Union
Committees: Benefits, Communications
Board term: 2014–present

Trustee information

Plan highlights

The plan by the numbers

(as at March 31, 2023)

YEAR AT A GLANCE ($ MILLIONS)

41,381	+	1,610	+	962	−	1,501	−	105	=	**42,347**
Net assets April 1, 2022		Investment income		Contributions		Benefits payments		Investment and administration costs		Net assets March 31, 2023

INVESTMENTS

TOTAL PLAN NET ASSETS

$42.3 billion

RATES OF RETURN (TOTAL PORTFOLIO)

3.8%
Annual

7.5%
5-year annualized

INCREASE IN NET ASSETS

$0.9 billion

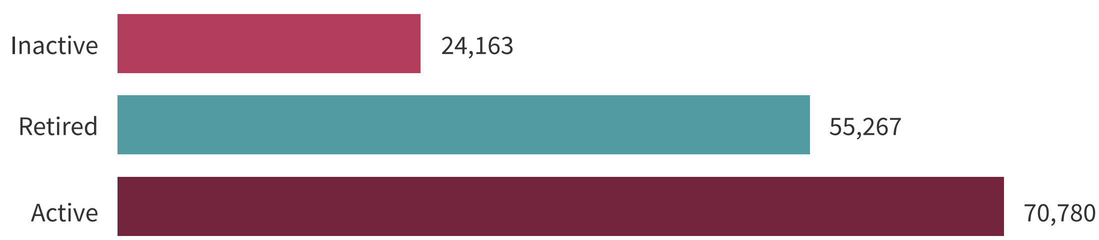
PERFORMANCE BENCHMARKS

2.8%
Annual

6.2%
5-year annualized

MEMBERSHIP

TOTAL 150,210



RETIREE AVERAGES

20 years
Pensionable service
(new retirees)

61 years
Retirement age
(new retirees)

$21,143
Median pension in pay[1]
(all retirees)

1 Includes the bridge benefit.

Investments

Investment results

The highest rate of inflation in 40 years defined 2022. In an attempt to bring down inflation, central banks raised their benchmark interest rates to the highest levels in decades. While inflation did start to decline in early 2023, high interest rates combined with volatile markets, geopolitical tension and slowing economic growth weighed on the plan's annual returns. The key to ensuring plan stability during this period of heightened market uncertainty is the plan's diversified investment portfolio as well as careful asset management by BCI, the plan's investment manager.

For the fiscal year ending March 31, 2023, the plan's one-year return was 3.8 per cent, which is above the benchmark return of 2.8 per cent. Over the year, the plan's assets increased to $42.3 billion from $41.4 billion. However, as a long-term investor, we know it is important to look at both short- and long-term performance as a measure of plan health. The five-year return was 7.5 per cent, which is above both the five-year benchmark of 6.2 per cent and the plan's five-year return objective of 6.0 per cent.

Public markets

Within public markets, the plan is invested in fixed income (e.g., government and corporate bonds) and public equities (e.g., publicly traded stocks). Public markets overall were heavily affected by high inflation and slow economic growth in the second half of 2022, though most sectors started to recover in early 2023, allowing the plan to end the year in positive territory.

7.5%

five-year return

within public equities exceeds the benchmark of 7.1%.

Public equities were down for most of the year as corporate earnings expectations were negatively affected by inflation. However, markets began to rebound at the end of 2022 through to the end of the plan's fiscal year. The plan's public equity portfolio ultimately returned 1.2 per cent for the year, outperforming the benchmark return of -0.4 per cent. Five-year returns were stronger at 7.5 per cent, compared to the benchmark return of 7.1 per cent.

Generally, fixed income assets provide stability and liquidity for the portfolio. This year, however, the value of fixed income assets fell as central banks raised policy interest rates, which brought down the price of existing assets. As a result, the plan delivered a one-year fixed income return of -0.2 per cent, compared to the benchmark return of -1.0 per cent; the five-year performance was 1.8 per cent versus the benchmark return of 1.3 per cent.

Private equity

BCI's private equity team took advantage of high prices and sold several assets when markets were at their peak in early 2022, locking in high returns for the plan's portfolio. This timing was crucial, as global private equity deal activity slowed considerably in the latter part of 2022. Ultimately, the plan returned 7.6 per cent for the year versus a benchmark return of 2.3 per cent. Five-year returns were also very positive at 17.0 per cent, compared to the 10.0 per cent benchmark return, demonstrating the quality and positioning of the plan's private equity portfolio.

Private equity returned 7.6% for the year versus a benchmark return of 2.3%.

Real estate

Global real estate investment activity was slow over the year because of high interest rates, the increasing cost to borrow money, and economic and geopolitical volatility. However, performance remained positive as the plan's real estate equity portfolio returned 3.6 per cent for the year compared to a benchmark return of 6.8 per cent, and 7.0 per cent over five years above the benchmark return of 6.4 per cent.

Infrastructure and renewable resources

Infrastructure and renewable resources (I&RR) added the most value to the plan over the year. As inflation rose, so did demand for real assets with long-term inflation protection. This is one of the benefits of portfolio diversification, as real assets tend to hold their value better in a market downturn and can help buffer the plan against short-term volatility in public markets. The plan was able to take advantage of this market opportunity and sell assets at attractive prices because of BCI's focus on high-quality, regulated investments. This resulted in outperformance over both the one- and five-year periods. The plan returned 10.3 per cent versus the benchmark return of 6.3 per cent over one year, and 8.7 per cent versus a 6.7 per cent benchmark over five years.

FIVE-YEAR FINANCIAL SUMMARY ($ MILLIONS)
for the year ended March 31

	2023	2022[1]	2021	2020	2019
Increase in assets					
Investment income	**$ 1,610**	$ 3,050	$ 5,896	$ 1,094	$ 1,993
Contributions					
Employers	**515**	477	455	432	401
Members	**424**	393	378	359	332
Transfers from other plans	**23**	13	16	11	10
Total increase in assets	**2,572**	3,933	6,745	1,896	2,736
Decrease in assets					
Pension benefits	**1,305**	1,216	1,170	1,121	1,062
Termination benefits	**139**	132	111	97	80
Transfers to other plans	**28**	34	18	14	14
Retired member group benefits	**29**	28	24	24	22
Investment and administration costs[1,2]	**105**	66	121	89	85
Total decrease in assets	**1,606**	1,476	1,444	1,345	1,263
Increase in net assets	**966**	2,457	5,301	551	1,473
Net assets available for benefits at beginning of year	**41,381**	38,924	33,623	33,072	31,599
Net assets available for benefits at end of year	**$42,347**	$41,381	$38,924	$33,623	$33,072
Investment and administration costs as a percentage of net assets (%)[2,3]					
Investment management[2,3,4]	**0.38**	0.30	0.41	0.37	0.30
Benefits administration	**0.05**	0.05	0.06	0.07	0.08

1 2022 was restated to reflect a change in accounting policy.

2 Investment costs as a percentage of net assets include certain external investment management costs totalling $72.2 million (2022—$80.5 million; 2021—$48.4 million; 2020—$60.3 million; 2019—$37.4 million) that are netted against investment income; they are not included in investment and administration costs in the financial statements.

3 In the 2022 fiscal year, investment management costs include a recovery of GST from the prior year of $25 million. Removing this from the investment management costs increases investment and administration costs to $91 million for 2022 and the investment management costs increase six basis points.

4 Investment and administration costs as a percentage of net assets exclude external indirect investment management costs netted against investment income. This is consistent with current industry practice; including these costs increases investment management costs as a percentage of net assets by 40.5 basis points in the 2023 fiscal year. External indirect investment management costs include limited partnership costs incurred within investments held in the private equity, infrastructure and global real estate asset classes.

Risk management

The board and BCI take a long-term approach to investing to ensure the plan is secure, sustainable and able to provide for members now and into the future. This is an important responsibility since for every pension dollar a member receives, about 75 cents comes from investment income.

The objective is to meet or exceed the plan's investment return objective—the minimum returns needed to pay for the plan's obligations—while taking on only an appropriate amount of risk. To achieve this, the board and BCI have built a diversified portfolio that is invested in multiple asset types, industry sectors and global markets. Diversification is a key part of risk management as it limits the effect on the whole portfolio when there are lower returns in one category. Holdings in the portfolio are continually monitored and adjusted in response to anticipated market risks and opportunities.

BCI's strategy of managing more assets in-house enables it to be both responsive and defensive in the face of market uncertainty. The plan has ample liquidity and is under no pressure to sell assets we want to continue to hold. While markets may be challenging, BCI remains well positioned to maintain and grow the long-term value of the plan. BCI and the board continue to work together to meet the plan's long-term objectives and safeguard the financial futures of plan beneficiaries.

The plan's overall framework for managing assets is governed by the plan's Statement of Investment Policies and Procedures (SIPP), which was established and is updated by the board. BCI is responsible for implementing the investment strategy and working toward the financial goals outlined in the SIPP. The board oversees and monitors the performance of BCI in carrying out this responsibility.

> *While markets may be challenging, BCI remains well positioned to maintain and grow the long-term value of the plan.*

Responsible investing

Responsible investing is a key part of the plan's investment approach and beliefs. Being a responsible investor means taking environmental, social and governance (ESG) factors into account when making investment decisions. These factors can be company-specific, like board compensation or employee safety. They can also be widespread and systemic, like climate change, water management and data security. Both the board and BCI believe that responsible investing is critical to understanding and managing the opportunities and risks associated with long-term investments, and to growing the plan in a sustainable way.

BCI's corporate-wide ESG strategy ensures consistency across all investment programs in addressing the issues that would have the most impact on the plan's investments. The strategy has four pillars representing all ESG activities taking place on behalf of the plan:

- **Integrate:** BCI integrates ESG analysis and risk management into all investment processes, from diversifying the plan's assets to individual investment decisions within the portfolio.
- **Influence:** Through engagement and advocacy, BCI applies its influence on the companies in which it invests, investment partners and other policy-makers in the market.
- **Invest:** BCI actively looks for opportunities to invest in ESG-themed investments that support the long-term risk or return characteristics for the plan.
- **Insight:** BCI uses what it has learned to adapt and improve its investment strategies to support the plan's investment goals.

To execute this strategy, BCI appointed its first global head of ESG last year and added senior ESG specialists to each of the private market programs.

The board and BCI are signatories to the Principles for Responsible Investment (PRI), a United Nations–supported international network of investors that share the goal of incorporating ESG elements into the processes and activities of institutional investors. As part of this commitment, both the board and BCI take part in an annual assessment of its responsible investing activities and progress. The 2021 PRI assessment results showed the board and BCI significantly outperformed in the Investment & Stewardship Policy category.

Engagement on behalf of the plan

As a large, long-term investor, BCI uses its influence on behalf of the plan to encourage companies and partners to be transparent about their ESG practices and to adopt best practices for corporate governance, disclosure and operations. In March 2023, BCI released the 11th edition of its Proxy Voting Guidelines, which substantially increased BCI's expectations for public companies on key ESG matters like climate risk disclosure, board diversity, corporate governance roles and shareholder rights. In 2022, BCI participated in engagement initiatives targeting nearly 2,300 public companies on issues such as climate change, gender diversity and sustainable finance.

In addition, the board supports BCI in responsible investing as a member of the steering committee for the 30% Club, which advocates for companies to enhance gender diversity, and the Sustainability Accounting Standards Board, which has a mandate to promote standards of sustainability reporting.

Climate change

Climate change is a complex, global issue and remains a concern for the board, plan members, BCI and global investors. It affects many dimensions of ESG—from biodiversity to income inequality. Stabilizing climate change and achieving net-zero emissions globally by 2050 must occur to reduce the most severe physical and economic impacts.

In November 2022, BCI published an update to its Climate Action Plan, which affirms its commitment to using its influence to drive actions aligned with the global goal of achieving net-zero greenhouse gas emissions by 2050. The Climate Action Plan reinforces BCI's emphasis on engagement to advance climate action across the companies in its portfolio, with policy-makers and through broader markets.

In November 2022, BCI published an update to its Climate Action Plan, which affirms its commitment to using its influence to drive actions aligned with the global goal of achieving net-zero greenhouse gas emissions by 2050.

In 2022, BCI used its ESG Risk and Opportunity Framework to stress test the portfolio against various climate change scenarios. This evaluation showed that from 2018 to 2022, the portfolio's climate change risk level decreased overall; this was due to asset allocation decisions, a focus on actively assessing and integrating climate change into investment decisions and increasing exposure to climate-related opportunities.

BCI also collaborates with other organizations to advance its objective to mitigate climate change risks. These include the International Corporate Governance Network, CDP (formerly Carbon Disclosure Project) and Investor Network on Climate Risk. In addition, BCI participates in Climate Action 100+, an investor-led initiative to engage the world's largest greenhouse gas emitters in taking necessary action in the transition to a lower-carbon world in line with the goals of the

Paris Agreement. Through its participation, BCI leads or co-leads engagement with North American companies in the oil and gas, and mining sectors.

Where it is in the financial best interests of the plan, BCI seeks investment opportunities created from the global energy transition. BCI is increasing its investments in sustainable bonds, which are bonds that offer returns for the plan as well as exposure to positive environmental and social outcomes. As of December 31, 2022, BCI had cumulative historical participation of more than $4 billion in sustainable bonds and anticipates reaching $5 billion by 2025.

To learn more about BCI's ESG and Climate Action Plan activities, visit **bci.ca**.

Views on divestment and engagement

Divestment is a practice in which an investor sells its shares in a company that may not be meeting its ESG goals.

Neither the board nor BCI believe that broad-based divestment is an effective strategy to address long-term and persistent ESG risks. Instead, by engaging with companies and exercising our ownership rights, we can voice our concerns and influence a company's corporate ESG practices.

Divestment eliminates a shareholder's right to engage with management and promote change through proposed amendments to policies and practices. Divestment may also compromise the plan's investment strategy, increase risks and costs, negatively affect investment returns and fail to result in absolute emissions reductions.

Separate from an ESG-driven view on divestment, BCI will exclude securities from companies that produce products prohibited by Canadian legislation or international agreements.

Managing investment costs

BCI operates on a cost-recovery, not-for-profit basis, meaning the plan pays fees only to cover the cost of managing the investments. Managing investment costs is important to the board, and BCI's fees continue to be competitive with its peers and are much lower than those charged by investment managers in the private sector.

Investment management fees are affected by the types of assets, the plan's asset mix (what is in the portfolio) and BCI's investment strategy. Some asset classes that are expected to produce higher returns are complex and more expensive to manage, which affects fees. However, since BCI manages a large amount of assets, it has access to significant economies of scale when investing on behalf of the plan. BCI's transition to active, in-house management of funds away from more expensive external managers has helped reduce fees. The goal is to earn enough investment income to fulfil the plan's pension promises at a reasonable cost.

Member Kathryn Prinz

INVESTMENT ASSET MIX AND PERFORMANCE (%)

as at March 31, 2023

Asset class	Approved range	Target allocation	Actual allocation	One-year rate of return	Performance benchmark
Leverage[1]	**(20)–0**	**(15)**	**(10.0)**	**3.0**	**3.0**
Short-term	0–7	2	2.0	6.5	7.2
Government bonds	13–30	22	22.6	(2.1)	(2.4)
Credit[2]	3–24	16	11.2	1.4	(0.1)
Fixed income	**23–50**	**40**	**35.8**	**(0.2)**	**(1.0)**
Developed market equities[2]	7–32	17	18.4	1.5	1.3
Emerging markets equities	0–10	3	6.8	0.6	(3.2)
Private equity	9–21	16	16.2	7.6	2.3
Equity	**24–56**	**36**	**41.4**	**3.4**	**0.5**
Real estate[2]	13–33	24	21.9	(0.5)	1.1
IRR[3]	5–20	15	10.5	10.3	6.3
Real assets	**26–50**	**39**	**32.4**	**6.2**	**6.6**
Other	**0–5**	**0**	**0.4**	**n/a**	**n/a**
Total		**100**	**100.0**	**3.8**	**2.8**

1 Leverage is an investment strategy of using borrowed money to increase the potential return of an investment.

2 These rates of return are for February 1, 2023 to March 31, 2023, when investment pools were restructured for perfomance reporting purposes.

3 Infrastructure and renewable resources.

INVESTMENT MARKET VALUE RATES OF RETURN (%)

Year ended March 31	Investment returns	Performance benchmark[1]
Annual rates		
2023	**3.8**	**2.8**
2022	7.7	3.7
2021	17.3	21.0
2020	3.2	(0.4)
2019	6.2	5.8
Five-year annualized rates		
2023	**7.5**	**6.2**
2022	8.7	7.4
Ten-year annualized rates		
2023	**8.9**	**7.6**
2022	9.5	8.2

1 Benchmarks are standards to compare against actual investment returns.

INVESTMENT PORTFOLIO
as at March 31, 2023

	Market value ($ millions)	Asset mix market value(%)
Leverage	**$ (4,220)**	**(10)**
Short-term	**828**	**2**
Government bonds	**9,571**	**22.6**
Government bonds	4,747	11.2
Leveraged bonds	4,824	11.4
Credit	**4,720**	**11.2**
Corporate bonds	1,913	4.5
Private debt	2,807	6.7
Developed market equities	**7,764**	**18.4**
Canadian equities	1,455	3.5
Global equities	6,309	14.9
Emerging markets equity	**2,895**	**6.8**
Private equity	**6,876**	**16.2**
Real estate	**9,269**	**21.9**
Real estate equity	7,579	17.9
Real estate debt (mortgages)	1,690	4.0
IRR[1]	**4,433**	**10.5**
Cash and unsettled trades	**-**	**0.0**
Currency hedging	**179**	**0.4**
Total investments	**42,315**	**100**
2022 comparison	$41,375	

1 Infrastructure and renewable resources.

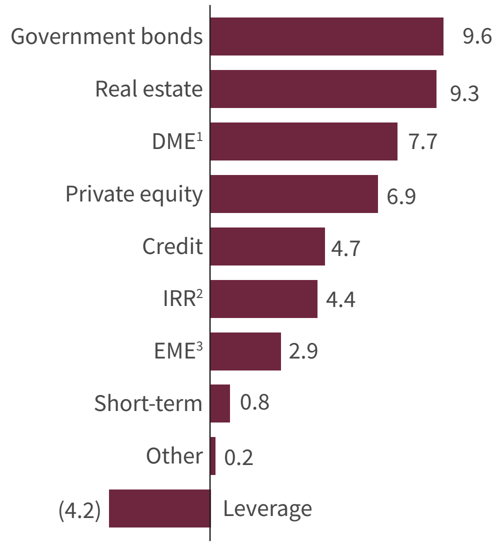
Note: Asset classifications vary from the financial statements for the purpose of performance reporting.

TOP 25 SECURITY HOLDINGS
as at March 31, 2023

Total public equity exposure—worldwide		
Security	% of public equity	Total exposure ($ millions)
Microsoft Corporation	0.6	267
Apple Inc.	0.6	234
Taiwan Semiconductor Manufacturing Co. Ltd.	0.5	195
Samsung Electronics Co. Ltd.	0.3	124
Tencent Holdings Ltd.	0.3	116
Alphabet Inc.	0.3	110
NVIDIA Corporation	0.2	88
Toronto-Dominion Bank	0.2	87
UnitedHealth Group Inc.	0.2	85
Alibaba Group Holding Ltd.	0.2	83
Amazon.com Inc.	0.2	83
Royal Bank of Canada	0.2	79
Mastercard Inc.	0.2	75
WSP Global Inc.	0.2	65
Tesla Inc.	0.1	50
Bank of Montreal	0.1	49
SAP SE	0.1	49
LVMH Moet Hennessy Louis	0.1	48
Canada Pacific Kansas City	0.1	44
Shopify Inc.	0.1	43
China Mobile Ltd.	0.1	42
Wal-Mart de Mexico SAB de	0.1	42
Hitachi Ltd.	0.1	41
Meta Platforms Inc.	0.1	40
Siemens AG	0.4	38

Investments

INVESTMENT HOLDINGS—MARKET VALUE ($ BILLIONS)
as at March 31, 2023

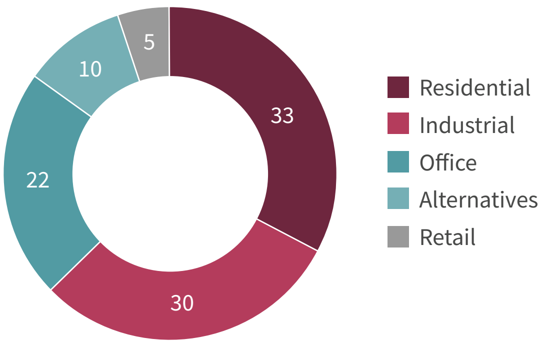


1 Developed markets equities.
2 Infrastructure and renewable resources.
3 Emerging markets equities

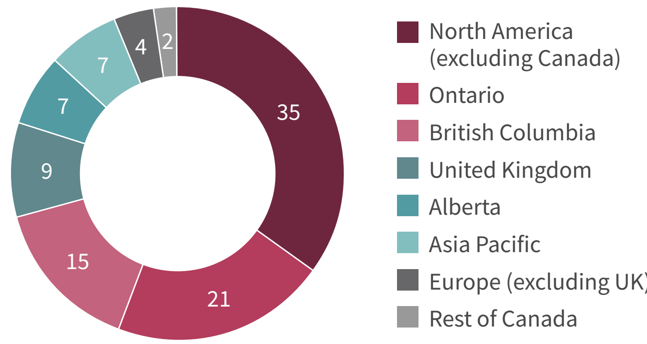
Retired members Jim Symington and Kathleen Gallagher

Select asset class investments

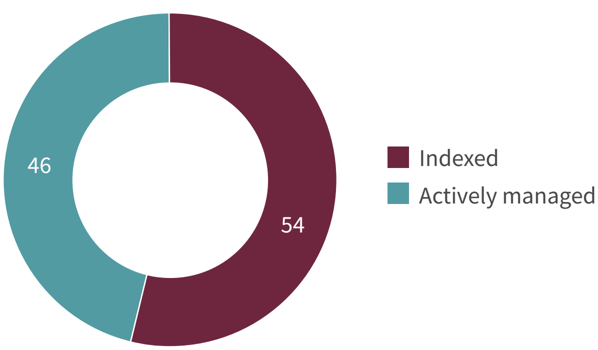
REAL ESTATE BY TYPE (%)
as at March 31, 2023



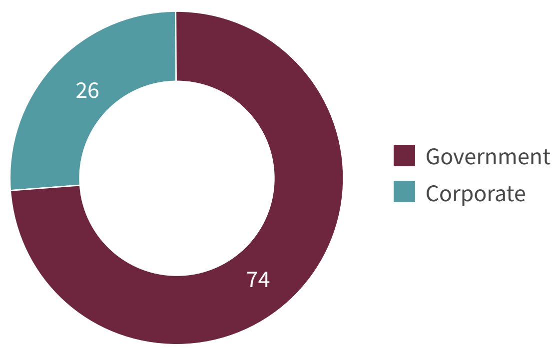
REAL ESTATE BY LOCATION (%)
as at March 31, 2023



DEVELOPED MARKET EQUITIES—MARKET VALUE (%)
as at March 31, 2023

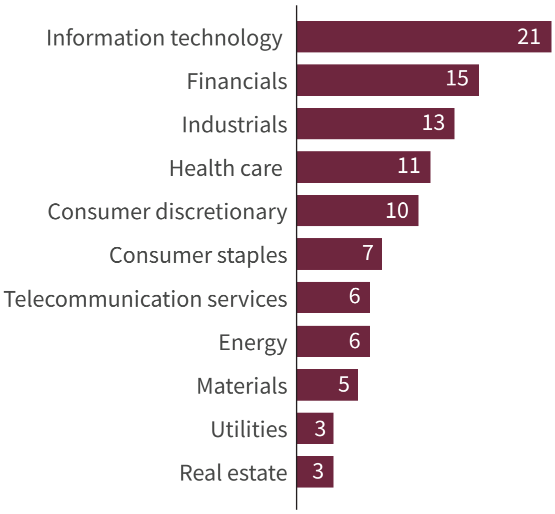


BONDS—MARKET VALUE (%)
as at March 31, 2023

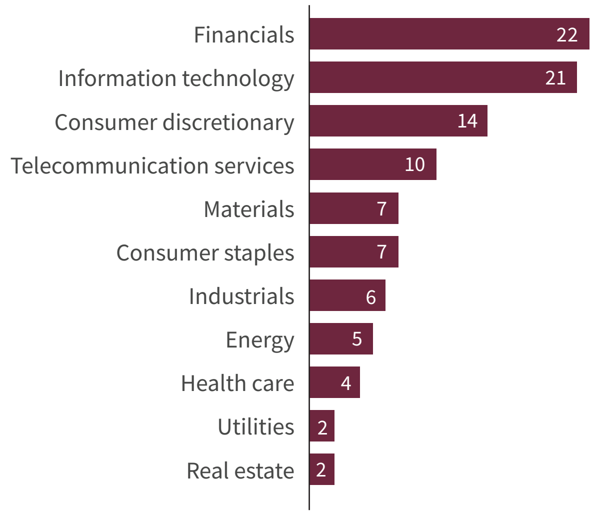


Equities

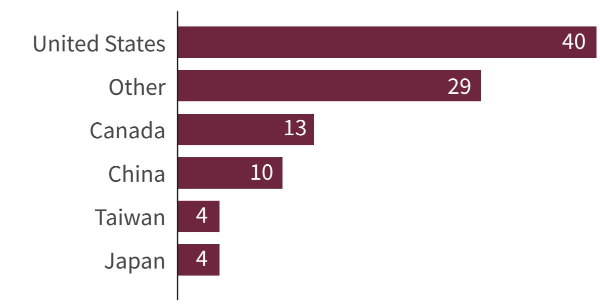
DEVELOPED MARKET EQUITIES, BY SECTOR (%)
as at March 31, 2023



EMERGING MARKET EQUITIES, BY SECTOR (%)
as at March 31, 2023



EQUITIES, BY COUNTRY (%)
as at March 31, 2023



Benefits and contributions

In the Public Service Pension Plan, a lifetime pension is based on a calculation that uses members' ages, their years of pensionable service and the average of the best five years of their salaries (although not necessarily the last five years). The plan is pre-funded, which means enough money is set aside through contributions and investments to pay lifetime pensions now and into the future. Once members make their first contribution, they are entitled to apply for a pension at their earliest retirement age if they terminate employment. The plan also provides survivor and disability benefits.

On March 31, 2023, the average annual pension was $25,053 and the median was $21,143.

Contributions

Active members contribute to the plan through automatic payroll deductions. Employers and members make pension contributions to the basic account and inflation adjustment account. Members stop contributing to the plan once they reach 35 years of service, retired, or end their employment with a plan employer.

CONTRIBUTIONS[1] (% OF SALARY)
Rates effective April 1, 2018

Account	Member	Employer
Basic[2]	7.10	7.10
IAA[3]	1.25	2.75
Total	8.35	9.85

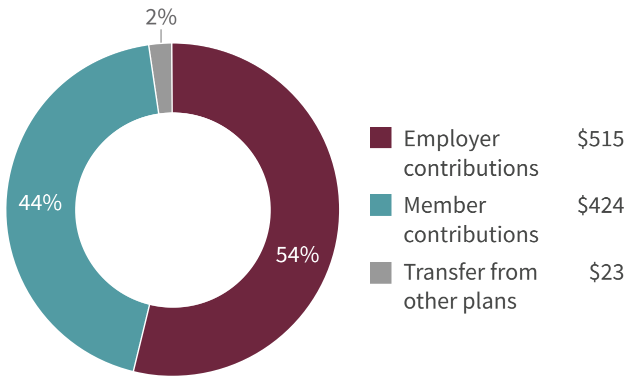
1 Rates apply to most members, excluding groups with higher contribution rates (correctional members, ambulance paramedics, some statutory officers, judges, members of the legislative assembly and masters of the court).
Note: An integrated rate for correctional members was introduced effective April 1, 2022.

2 Members and employers both contribute to the basic account to provide for lifetime pensions.

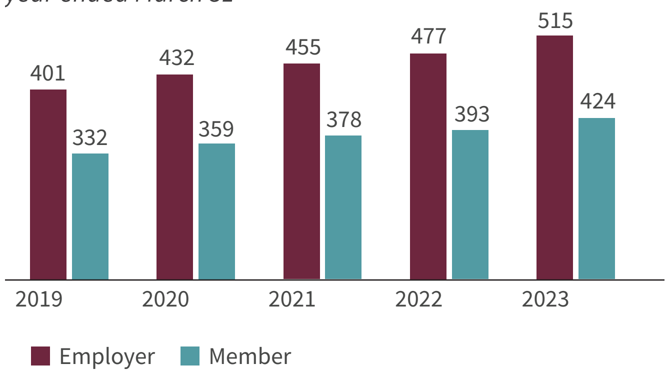
3 Inflation adjustment account (IAA). Members and employers also contribute to the IAA to provide for inflation adjustments. Inflation adjustments are not guaranteed. A portion of employer contributions is intended for post-retirement group benefits.

Benefits and contributions

CONTRIBUTION REVENUE ($ MILLIONS)
year ended March 31



CONTRIBUTIONS ($ MILLIONS)
year ended March 31



Beyond the lifetime pension benefit

PENSIONS 2019–2023
for the year ended March 31

	New pensions during year	Pension terminations	In force at end of year	($ millions) Basic pension paid	Inflation supplements paid[1]	Total pensions paid
2023	**2,744**	**1,171**	**55,267**	**$1,067.4**	**$237.3**	**$1,304.7**
2022	2,629	1,129	53,694	1,014.2	201.9	1,216.1
2021	2,201	963	52,194	976.7	193.5	1,170.2
2020	2,431	1,021	50,956	938.4	182.9	1,121.3
2019	2,575	921	49,546	893.9	167.8	1,061.7

1 "Inflation supplements paid" refers to pension benefits paid that were the result of cumulative past inflation adjustments granted.

AVERAGE VALUE OF NEW PENSIONS BY YEARS OF SERVICE AND AGE
for the year ended March 31, 2023

Years of service[1]	Number of new pensions	Average amount: Annual salary base	Annual lifetime pension[2]	Median annual lifetime pension[2]
< 10 years	641	$75,300	$ 5,700	$ 4,400
10 < 15	397	77,300	14,700	12,100
15 < 20	320	76,900	20,300	17,900
20 < 25	367	79,100	27,900	23,500
25 < 30	441	78,400	32,000	28,400
30 < 35	406	80,600	39,000	35,400
≥ 35 years	172	79,700	40,300	37,400
Total	**2,744**	**n/a**	**n/a**	**n/a**
Average of all new lifetime pensions		**$77,800**	**$23,000**	**$19,600**
Age	61			
Years of service	20			

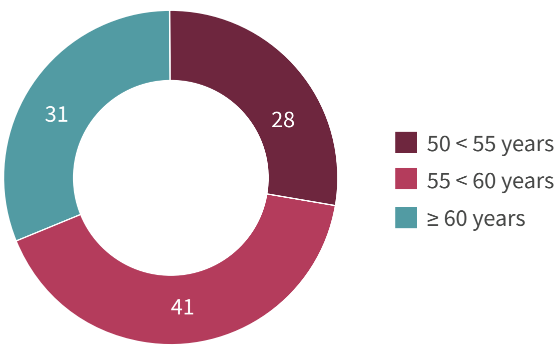
1 Includes service transferred from other plans.

2 Does not include value of bridge benefits. Members receive the bridge benefit, if applicable, until they turn 65, at which point the bridge benefit stops.

NEW PENSIONS BY TYPE
for the year ended March 31

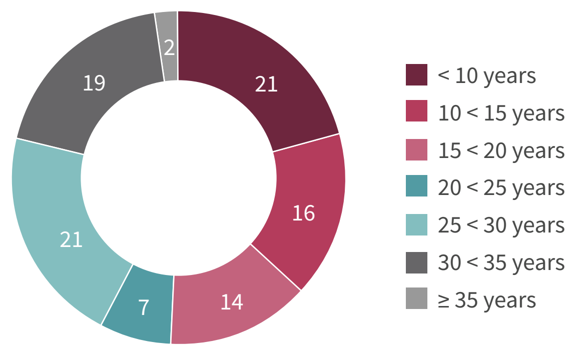
	Regular	Pre-retirement limited members	Post-retirement limited members	Death	Disability	Deferred	Total
2023	**1,938**	**57**	**10**	**32**	**207**	**500**	**2,744**
2022	1,986	32	16	38	169	388	2,629
2021	1,550	33	23	39	180	376	2,201
2020	1,684	43	18	44	221	421	2,431
2019	1,896	56	23	31	196	373	2,575

PERCENTAGE OF NEW PENSIONS BY AGE AT RETIREMENT—NORMAL RETIREMENT AGE 60[1] (%)
year ended March 31

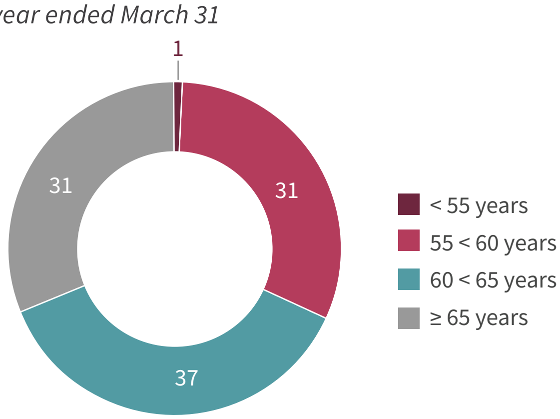


1 Retirement at age 60 is provided for corrections officers and emergency health employees.

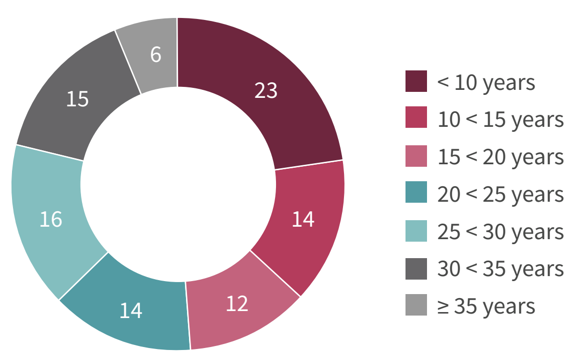
PERCENTAGE OF NEW PENSIONS BY YEARS OF SERVICE AT RETIREMENT—NORMAL RETIREMENT AGE 60 (%)
year ended March 31



PERCENTAGE OF NEW PENSIONS BY AGE AT RETIREMENT—NORMAL RETIREMENT AGE 65 (%)
year ended March 31



PERCENTAGE OF NEW PENSIONS BY YEARS OF SERVICE AT RETIREMENT—NORMAL RETIREMENT AGE 65 (%)
year ended March 31



Additional components and service options

Beyond the lifetime pension, several non-guaranteed components and service options are available to members.

Inflation adjustments in retirement

Inflation adjustments help the pensions of retired members keep pace with increases in the cost of living. Providing future inflation adjustments is not guaranteed. Inflation adjustments are granted only when enough funds are available in the inflation adjustment account (IAA). To date, the plan has fully funded inflation adjustments.

Both active members and employers contribute to the IAA. Those contributions, along with investment returns, pay for inflation adjustments.

Once an inflation adjustment is granted to retired members, it becomes part of their lifetime pension. Inflation protection continues to beneficiary pensions as well. For members receiving the bridge benefit, previous indexing of the bridge benefit ends at the same time as their bridge benefit, at age 65 or death (whichever comes first).

Retirement health benefits

The Public Service Pension Plan provides access to group coverage, including extended health care (EHC) and group life insurance. Coverage is not guaranteed. This means the board may change coverage and subsidies at any time.

The Public Service Pension Plan provides access to group coverage, including extended health care and group life insurance.

The plan subsidizes a portion of the premiums for retired members' EHC, and the amount depends on a member's pensionable service. The subsidies are funded by a small portion of employers' contributions that are provided for this purpose. Retired members must pay the full premiums for any EHC they choose for their spouse or dependants.

Retired members choosing to participate in dental coverage pay full premiums.

The plan may also pay group life insurance subsidies for retired members under age 65 who had access to the group life insurance plan through their employer when they were active employees.

Program updates

In 2022, the retirement group health plan moved to a tiered formulary based on BC PharmaCare coverage. Tier 1 drugs are covered by BC PharmaCare, and their reimbursement rate increased from 70 to 80 per cent. Tier 2 drugs, however, are not covered by BC PharmaCare, and their reimbursement rate was lowered from 70 to 60 per cent. Users of tier 2 drugs were granted a one-year grace period that ended January 2023. More information is available on the plan website.

Termination and refund benefits

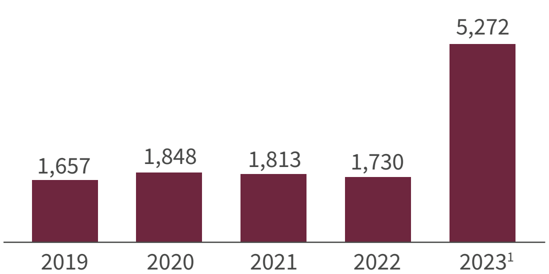
Members who leave the plan but have not yet reached the earliest retirement age may choose one of the following:

- Defer their pension
- Transfer the commuted value of their pension (the minimum value is their contributions plus interest) to a locked-in retirement account or similar tax-deferred plan

If members leave the plan having reached their earliest retirement age, they may choose one of the following:

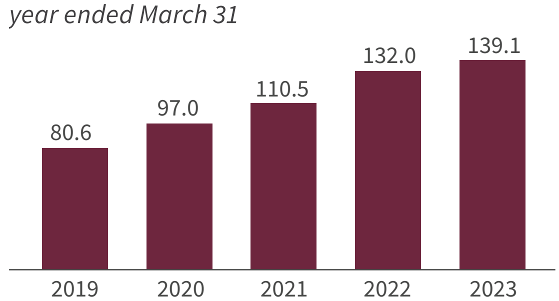
- Defer their pension (which may be reduced if they elect to start it before their earliest unreduced pension age)
- Take an immediate pension (which may be reduced if it is prior to their earliest unreduced pension age)

NUMBER OF TERMINATION AND REFUND BENEFITS PAID
year ended March 31



1 In fiscal 2023, employer-ineligible refunds included approximately 2,950 members with corrections service who qualified for a refund for past service.

VALUE OF TERMINATION AND REFUND BENEFITS PAID
($ MILLIONS)
year ended March 31



Service transfers

When moving to an employer with a different pension plan, members may be able to transfer their service if a transfer agreement is in place between the pension plans.

Service purchases

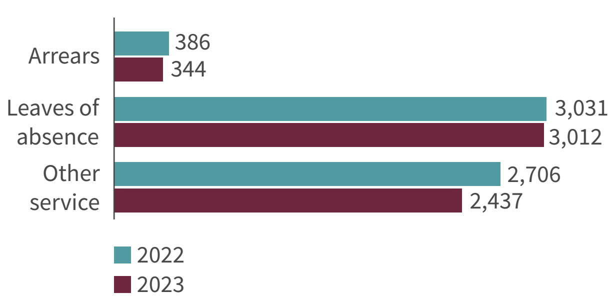
Members may be able to increase their future pension by buying service—paying for periods of employment not already counted as service with the plan. Examples include:

- Leaves of absence (such as pregnancy, parental, compassionate care and general leaves)
- Arrears contributions (occurring if a member was not enrolled correctly)
- Time worked for an employer before the employer joined the plan
- Non-contributory service (employment service with a plan employer from before an employee became a member)

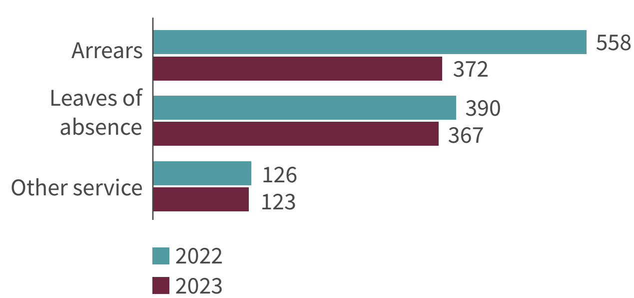
Depending on the type of service they choose to buy, members may be responsible for paying both the employee and employer portions, or just the employee portion. For more information on buying service, visit the plan website.

For the fiscal year ended March 31, 2023, there were 862 purchases of service with a total contribution of about $5.7 million. This represents a decrease in both volume and dollar value from the previous year when there were 1,074 purchases of service with a total contribution of about $6.1 million.

CONTRIBUTIONS FOR PURCHASES ($ THOUSANDS)
year ended March 31



NUMBER OF PURCHASES
year ended March 31



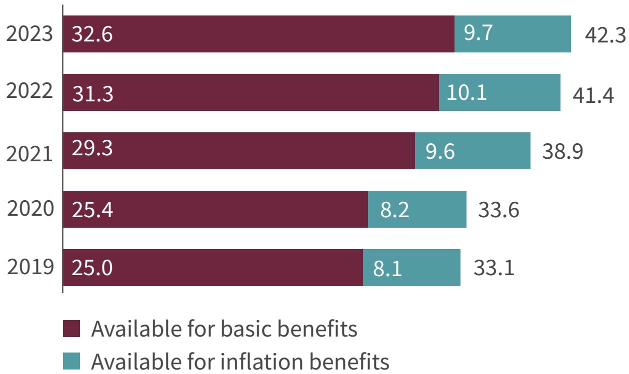
Temporary annuities

Members can buy an optional temporary annuity (additional monthly payment) to increase their monthly income until age 65 or death, whichever comes first. If members do buy a temporary annuity, their basic lifetime pension income after age 65 will be lower than if they had not bought the annuity. Members who retire at an earlier age will pay a higher amount for the temporary annuity through a larger reduction to their pension after age 65.

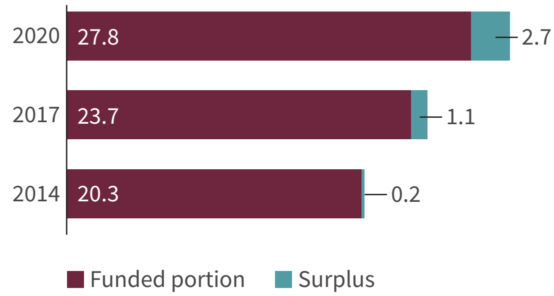
In 2019, the board created a new half temporary annuity option. Members may choose this option because the temporary monthly payments are half the full temporary annuity payments, meaning they will incur a smaller decrease in their lifetime pension income. This option is based on half the maximum old age security pension and is payable to age 65 or death.

Retired member Mary-Ethel Audley

NET ASSETS AVAILABLE FOR BENEFITS ($ BILLIONS)
as at March 31



FUNDING OF THE TOTAL BASIC BENEFIT LIABILITY ($ BILLIONS)
as at March 31



FUNDED RATIOS 2014 TO 2020 (%)

Year	Ratio[1]
2020	110
2017	105
2014	101

1 Funded ratio (assets divided by liabilities)

Plan website and My Account

The plan website is an excellent source of pension plan information, providing the resources and tools members need to make the most of their plan.

Members can sign in to My Account on the plan website for instant access to their personal pension information. My Account offers members personalized pension and purchase cost estimators to help with their planning, service and salary summaries, to update their beneficiary information and to apply for their pension online once they are ready to retire. Members can also opt in to paper-free communications through My Account. This option will allow them to receive important notifications and pension information online.

Member services

Some aspects of pension and retirement planning can be challenging. In cases where members need more personalized support, the plan has skilled staff available by phone, email and Message Centre (within My Account) to assist members with issues like marital breakdowns, the death of a spouse, retirement planning questions, employment transfers and more.

Pension communications

The plan website offers members access to a wealth of pension information and educational content. Members can learn about different features of their pensions and initiate services online through My Account. New information is added regularly.

The option to select paper-free communications is also available through My Account, and more online options will be included over time.

Member webinars

Educational resources for plan members include the online introduction *Getting to Know Your Pension* and two webinars: *Making the Most of Your Pension* and *Approaching Retirement*. Designed to help educate members at all career stages, these online workshops make important information available to members at their convenience.

In August, we introduced a new *Value of the Plan* webinar for employers. This instructor-led webinar is intended to educate employers on the benefits of the plan, so they can then share this information with their employees and potential new hires.

Member Cai Dong

Plan participants

Members

Membership in the plan is open to all eligible employees of the provincial public service or other employers approved by the board. Once an employee begins contributing to the plan, contributions will continue as long as the member remains with a plan employer or until they have completed 35 years of pensionable service. (For a list of employers in the plan, see the Appendix.)

As of March 31, 2023, the number of active plan members had increased by 3.5 per cent, while the number of retired members had increased by 2.9 per cent since 2022.

Member categories

Active

Currently contributing (or no longer contributing because they have earned 35 or more years of pensionable service), receiving benefits from an approved group disability plan or on an approved leave of absence

Limited

Former spouse who applied to the plan following separation or divorce from a member and who is entitled to a portion of the member's benefit

Inactive

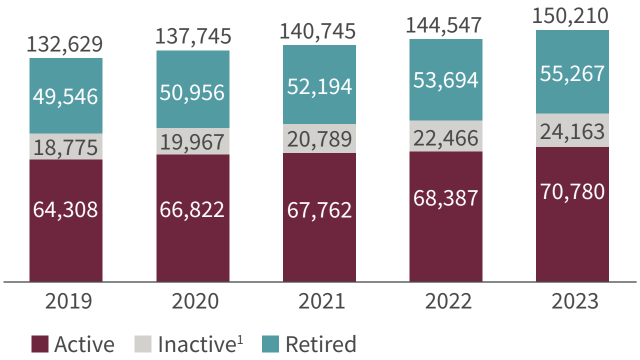
Ended employment but left their benefit in the plan

Retired

Receiving a pension, including a disability benefit

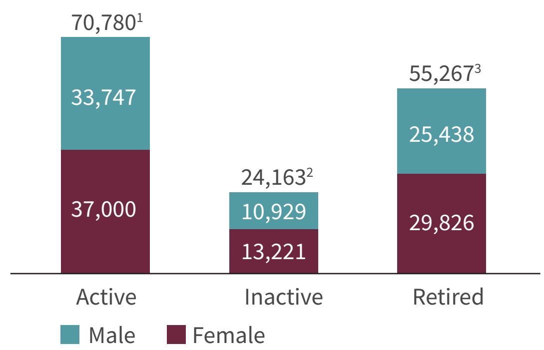
Plan participants

TOTAL MEMBERSHIP PROFILE
as at March 31



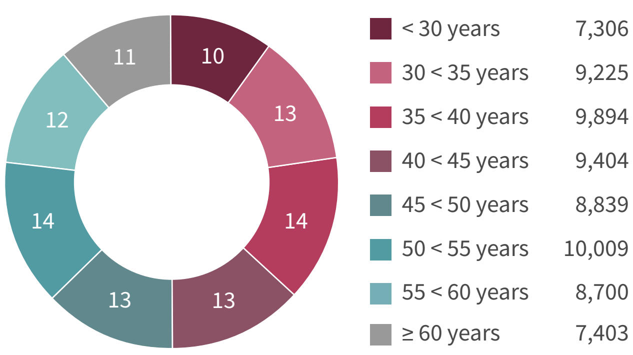
1 Member who is no longer employed but has left their contributions in the plan to receive a future pension.

GENDER PROFILE OF MEMBERS
as at March 31, 2023

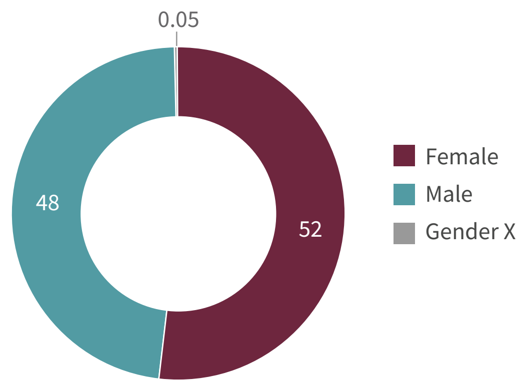


1 Thirty-three active members identified as gender X.
2 Thirteen inactive members identified as gender X.
3 Three retired members identified as gender X.

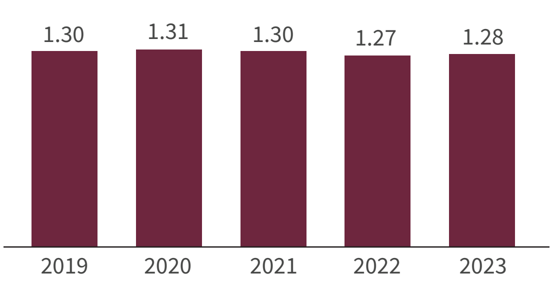
AGE PROFILE OF ACTIVE MEMBERS (%)
as at March 31, 2023



GENDER PROFILE OF ACTIVE MEMBERS (%)
as at March 31, 2023



RATIO OF ACTIVE TO RETIRED MEMBERS
as at March 31



NEW ENROLMENTS AND AVERAGE ENROLMENT AGE, COMPARING 2013 TO 2023
as at March 31

Age	2013 new enrolments	2013 average enrolment age	2023 new enrolments	2023 average enrolment age
Under 25	159	23	459	23
25 < 30	344	27	1,244	27
30 < 35	295	32	1,228	32
35 and over	795	46	2,698	45
Total	**1,593**	**37**	**5,629**	**36**

AVERAGE ENROLMENT AGE
as at March 31

Age	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Under 25	23	23	23	23	23	23	23	23	23	23	23
25 < 30	27	27	27	27	27	27	27	27	27	27	27
30 < 35	32	32	32	32	32	32	32	32	32	32	32
35 and over	46	45	45	45	45	44	45	45	45	44	45
Average (overall)	**37**	**37**	**37**	**36**	**36**	**36**	**36**	**36**	**37**	**36**	**36**

NEW ENROLMENTS (%)
as at March 31

Age	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Under 25	10	9	9	9	9	8	9	9	8	7	8
25 < 30	22	21	20	22	21	22	21	22	21	23	22
30 < 35	18	18	21	19	21	21	21	20	21	22	22
35 and over	50	52	50	50	49	49	49	49	50	48	48
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Employers

As of March 31, 2023, the plan had approximately 100 employers. For a complete list, see the Appendix.

Governance

Trustee activities

For the fiscal year ended March 31, 2023, the board held six meetings over 11 days. In addition, trustees conducted board business at both regularly scheduled and ad hoc meetings on 42 other days. Trustees also participated in standing and ad hoc committees, and attended a number of conferences, including the annual BC Public Sector Pension Conference.

Trustee remuneration

Trustees are compensated by the plan for their time spent on board business. Remuneration guidelines and rates are set out in the Public Service Pension Board of Trustees Remuneration Policy. Trustees receive remuneration directly if they are not paid for time spent on board duties from any other organization. If they are reimbursed from another organization, they may request the remuneration be paid to the other organization. Trustee remuneration may be adjusted annually under board policy by an amount equal to the inflation adjustment made to pension payments.

Expenses related to trustee attendance at educational events and at meetings to conduct board business are reimbursed within board policy limits.

Member Harjinder Parmar

BOARD MEMBER REMUNERATION
for the year ended March 31, 2023

Board member	Meeting fee	Retainer	Payment	Remuneration paid to
Alyson Blackstock	$ 6,370	$ 8,017	$ 14,387	BC Public Service Agency
Wanda Boden	9,048	8,017	17,065	Ministry of Finance ($8,681) Royal British Columbia Museum ($3,313) The Islands Trust ($5,071)
Joanne Carpendale	4,760	5,724	10,484	BC Ferry Services Inc. ($4,760) Board member ($5,724)
James Coccola	7,036	5,724	12,760	BC General Employees' Union ($7,036) Board member ($5,724)
Troy Clifford	4,580	7,641	12,221	Board member
Douglas Dykens	5,690	5,724	11,414	BC General Employees' Union
Paul Finch	4,788	5,724	10,512	BC General Employees' Union
Lawrence Johnson	222	—	222	Board member
Chan-Seng Lee	8,590	5,724	14,314	Infrastructure BC Inc. ($8,590) Board member ($5,724)
Maria Middlemiss (vice-chair)	7,480	11,448	18,928	BC General Employees' Union ($7,480) Board Member ($11,448)
Sadaf Mirza	7,688	5,724	13,412	Ministry of Finance
Johanna Morrow	11,726	5,724	17,450	Board member
Harpinder Sandhu	9,034	5,724	14,758	Canadian Union of Public Employees ($9,034) Board member ($5,724)
Angie Sorrell	9,936	8,017	17,953	Ministry of Health ($8,384) Board member ($9,569)
Thomas Vincent (chair)	14,904	17,172	32,076	Board member
Total	**$111,852**	**$106,104**	**$217,956**	

Committees

There are a number of standing committees of the board, which meet regularly to deal with specific areas of pension plan administration. The board also strikes ad hoc committees as required. The following are the committees as at March 31, 2023.

Benefits committee

Chair: Maria Middlemiss

The benefits committee reviews the plan rules for benefit entitlements and policies related to benefit administration and makes recommendations to the board on potential changes as needed. The committee also reviews post-retirement group benefits, including extended health and dental plan designs, coverage levels and cost structure.

Communications committee

Chair: Troy Clifford

The communications committee oversees the development of plan communications to members, employers and other plan stakeholders. The committee provides strategic communications direction to Pension Corporation and reviews major communications, including the annual reports.

Governance committee

Chair: Alyson Blackstock

The governance committee develops and reviews board operational policies, tools and processes related to risk management, strategic planning and other matters. The committee prepares reports on the board's governance structures and activities as required by pension legislation.

Responsible investment committee

Chair: Angie Sorrell

The responsible investment committee considers all responsible investment issues referred to it by the Board. The committee also considers all matters related to the board's responsibilities and opportunities as a signatory to the UN-supported Principles for Responsible Investment.

Interplan audit committee

Chair: Wanda Boden, Public Service Pension Board of Trustees

The interplan audit committee is composed of two nominees from each of the College, Municipal, Public Service and Teachers' pension boards of trustees. The committee prepares each plan's annual financial statements and provides mandated financial oversight by:

- Monitoring and reporting to the boards on the integrity of reporting, internal controls and compliance of financial statements with generally accepted accounting principles
- Monitoring and reporting on the independence and performance of external auditors
- Monitoring and reporting on risk management as it affects financial reporting
- Recommending the selection and compensation of external auditors

Interplan coordination committee

Chair: Maria Middlemiss, Public Service Pension Board of Trustees

The interplan coordination committee facilitates communication among the College, Public Service and Teachers' pension boards of trustees on initiatives of mutual interest, and monitors the operation of Pension Board Secretariat.

Interplan investment committee

Chair: Tom Vincent, Public Service Pension Board of Trustees

The interplan investment committee provides a forum for considering investment issues common to the College, Public Service and Teachers' pension boards of trustees. The committee considers trends in the investment industry, new investment approaches and vehicles, and economic and market updates.

Interplan executive forum

Chairs: executive staff of the plan boards

The interplan executive forum is a venue for the chairs and vice-chairs of the College, Municipal, Public Service and Teachers' pension boards of trustees to discuss issues of mutual interest, including pension reform, research, governance and risk.

Interplan trustee education committee

Chair: Weldon Cowan, College Pension Board of Trustees

This is a forum for the College, Municipal, Public Service and Teachers' boards to develop trustee knowledge and skills, work together on common educational issues and provide information on trends in a variety of jurisdictions (e.g., benefits, pensions, investments). This group organizes the annual BC Public Sector Pension Conference.

Board, partners, agents and service providers

The plan's governance arrangement contributes to the overall fairness of the plan and is outlined in the Public Service Pension Plan Joint Trust Agreement. The agreement is available on the plan website.

The plan partners (BC Government and Service Employees' Union and the Government of BC), and other organizations representing plan employers and members, are responsible for nominating and appointing trustees.

The board is responsible for the governance of the plan. It is obligated by law to act even-handedly, to act in the best financial interest of the plan's membership and to consider the interests of all members when making decisions. Trustees come from a cross-section of employer and member groups participating in the plan. Though trustees bring unique perspectives to the board table, they must act as one for all members.

The board can change plan rules if directed to do so by the plan partners and if certain conditions are met. It can also change plan rules as long as the changes are cost-neutral to the plan. The Joint Trust Agreement sets out conditions for implementing certain changes.

BC Pension Corporation

BC Pension Corporation is one of the largest pension benefit administrators in Canada, serving the public sector pension plans in British Columbia. It provides plan information to members and employers, manages contributions and member records, and pays pension benefits. BC Pension Corporation also provides policy, financial and communication services to the board.

British Columbia Investment Management Corporation (BCI)

As one of Canada's largest investment managers, BCI offers investment options across a range of asset classes, including infrastructure, renewable resources and long-term strategic themes. BCI provides investment management services as an agent of the board.

Eckler Ltd.

Eckler Ltd. is a Canada-based actuarial and consulting firm specializing in financial services, pensions and benefits, and global consulting solutions. It provides consulting and actuarial services to the plan.

GreenShield

GreenShield provides retired plan members access to optional extended health care and dental coverage.

KPMG LLP

KPMG LLP was appointed to perform the audit of the plan's financial statements for the year ended March 31, 2023.

Lawson Lundell LLP

Lawson Lundell is the plan's legal counsel.

Pension Board Secretariat

Pension Board Secretariat, a branch within BC Pension Corporation, provides day-to-day professional and operational support to help the board meet its governance and fiduciary obligations.

Willis Towers Watson

Willis Towers Watson is the board's benefits advisor.

Plan rule amendments

The Public Service Pension Plan introduced no new plan rule amendments during the period covered in this report (April 1, 2022 to March 31, 2023).

Retired members Linda and Malcolm Foubister

Financial statements

September 8, 2023

Re: **Public Service Pension Plan**
Administrative Agent's Responsibility for Financial Reporting

The financial statements of the Public Service Pension Plan were prepared by the British Columbia Pension Corporation, the administrative agent for the Public Service Pension Board of Trustees, in accordance with Canadian accounting standards for pension plans. The Board is responsible for approving the Plan's financial statements. The Board is assisted by the Interplan Audit Committee, which is made up of representatives from the Public Service, Municipal, Teachers' and College pension boards of trustees. As part of its responsibility, the Committee reviews the financial statements, and performs steps and procedures as necessary, prior to recommending them to the Board for approval.

Pension Corporation prepares the financial statements and is responsible for the integrity and fairness of the data presented, including significant accounting judgments and estimates. This responsibility includes selecting appropriate accounting policies consistent with Canadian accounting standards for pension plans. In discharging its responsibility, Pension Corporation maintains a system of internal controls designed to provide reasonable assurance that transactions are properly authorized, reliable financial records are maintained and assets are adequately safeguarded, ensuring the fair presentation of the financial statements. Pension Corporation has assessed that the Plan will continue as a going concern, and ensured that other financial information contained in the *Public Service Pension Plan Annual Report* is consistent with these financial statements.

The Board appointed KPMG LLP as the independent auditor to the Plan. The role of the auditor is to perform an independent audit of the financial statements of the Plan in accordance with Canadian generally accepted auditing standards. The resulting audit opinion is set out in the independent auditors' report attached to these financial statements.

Trevor Fedyna, CPA, CGA, C. Dir.
Vice-president, Strategy and Insights,
and Chief Financial Officer
British Columbia Pension Corporation

Allan Chen, CPA, CA
Controller, Financial Services
British Columbia Pension Corporation

Executive Offices
Mail: PO Box 9460
Victoria, BC V8W 9V8
Phone: 250 387-8201
Fax: 250 953-0429
bcpensioncorp.ca

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Tel 604-691-3000
Fax 604-691-3031

INDEPENDENT AUDITOR'S REPORT

To the Members of the Public Service Pension Plan

Opinion

We have audited the financial statements of the Public Service Pension Plan (the "Plan"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of changes in net assets available for benefits for the year then ended
- the statement of changes in accrued pension obligations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at March 31, 2023, and its changes in net assets available for benefits and its changes in accrued pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Basis for Opinion

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

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

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor's report thereon, included in the annual report.

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

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

We obtained the information, other than the financial statements and the auditor's report thereon, included in the annual report as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Public Service Pension Plan
Page 3

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Plan to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
September 8, 2023

PUBLIC SERVICE PENSION PLAN

Statement of financial position

($ millions)

As at March 31	Note		2023		2022
Assets					
Investments	3a	$	**42,347**	$	41,352
Directly held derivatives	3b		**240**		157
Contributions receivable			**36**		33
Cash			**21**		1
Prepaid expenses			**6**		5
Interest and dividends receivable			**6**		3
Total assets			**42,656**		41,551
Liabilities					
Directly held derivatives	3b		**277**		137
Accounts payable and accrued expenses			**18**		20
Taxes payable			**14**		13
Total liabilities			**309**		170
Net assets available for benefits		**$**	**42,347**	**$**	**41,381**
Accrued pension obligations					
Accrued basic pension obligations	4a	$	**25,242**	$	23,581
Non-guaranteed pension obligations	4b		**9,716**		10,082
Accrued pension obligations			**34,958**		33,663
Surplus					
Accessible actuarial excess	5a		**3,756**		2,871
Measurement differences between funding and accounting positions	5a		**3,633**		4,847
Surplus			**7,389**		7,718
Accrued pension obligations and surplus		**$**	**42,347**	**$**	**41,381**

The accompanying notes are an integral part of the financial statements including:
Commitments (note 14)

Approved by the Public Service Pension Board of Trustees:

Tom Vincent, Chair
Public Service Pension Board of Trustees

Wanda Boden, Trustee
Public Service Pension Board of Trustees

Maria Middlemiss, Vice Chair
Public Service Pension Board of Trustees

PUBLIC SERVICE PENSION PLAN

Statement of changes in net assets available for benefits

($ millions)

For the year ended March 31	Note	Basic account	Inflation adjustment account	Supplemental benefits account	Totals 2023	2022
Increase in assets						
Investment income	8	$ 1,224	$ 386	$ -	$ **1,610**	$ 3,050
Contributions						
Employer	9	349	113	53	**515**	477
Member	9	359	64	1	**424**	393
		708	177	54	**939**	870
Transfers from other plans		20	3	-	**23**	13
Total increase in assets		1,952	566	54	**2,572**	3,933
Decrease in assets						
Benefits	10	1,349	70	25	**1,444**	1,348
Transfers to other plans		17	11	-	**28**	34
Retired member group benefits	11	-	-	29	**29**	28
Investment and administration costs	12b	86	19	-	**105**	66
Total decrease in assets		1,452	100	54	**1,606**	1,476
Increase in net assets before transfers		500	466	-	**966**	2,457
Account transfers	13	832	(832)	-	**-**	-
Increase (decrease) in net assets		**1,332**	**(366)**	**-**	**966**	**2,457**
Net assets available for benefits at beginning of year		31,299	10,082	-	**41,381**	38,924
Net assets available for benefits at end of year		**$ 32,631**	**$ 9,716**	**$ -**	**$ 42,347**	**$ 41,381**

The accompanying notes are an integral part of these financial statements.

PUBLIC SERVICE PENSION PLAN

Statement of changes in accrued pension obligations

($ millions)

For the year ended March 31	Note	2023	2022
Increase in accrued pension obligations			
Interest on accrued pension obligations		$ **1,410**	$ 1,337
Benefits accrued		**831**	729
Account transfers		**832**	329
Increase in accrued pension obligations		**3,073**	2,395
Decrease in accrued pension obligations			
Benefits paid		**1,412**	1,301
Decrease in accrued pension obligations		**1,412**	1,301
Net increase in accrued pension obligations		**1,661**	1,094
Accrued basic pension obligations, beginning of year		**23,581**	22,487
Accrued basic pension obligations, end of year	4a	**25,242**	23,581
Non-guaranteed pension obligations			
Increase (decrease) in non-guaranteed pension obligations	4b	**(366)**	477
Non-guaranteed pension obligations, beginning of year		**10,082**	9,605
Non-guaranteed pension obligations, end of year	4b	**9,716**	10,082
Total accrued pension obligations		$ **34,958**	$ **33,663**

The accompanying notes are an integral part of these financial statements.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

1. DESCRIPTION OF THE PUBLIC SERVICE PENSION PLAN

The following description of the Public Service Pension Plan (Plan) is a summary provided for general information only. For more information, please refer to the Joint Trust Agreement (Agreement) and the Public Service Pension Plan Rules (pension plan rules).

a) General

The Plan is a jointly trusteed pension plan continued under a joint trust agreement authorized by the *Public Sector Pension Plans Act*, SBC 1999, c.44 (Act). The Act enabled the establishment of the Agreement. Joint trusteeship was established effective January 1, 2001. The partners to the Agreement are the Provincial Government and the British Columbia General Employees' Union (Partners). The Agreement describes the composition, appointment, powers, functions and duties of the Public Service Pension Board of Trustees (Board) and provides the authority for the Board to make the pension plan rules.

On March 18, 2022, the plan rules were amended effective April 1, 2022. The amendment increased the lifetime accrual rate. In addition the Board established a Rate Stabilization Account (RSA), as a notional account within the Basic Account, and transferred a part of the March 31, 2020 valuation surplus to the RSA.

The Plan is registered with the Superintendent of Pensions, who administers and enforces the *Pension Benefits Standards Act* (PBSA). The PBSA governs employment pension plans registered in British Columbia that have active, inactive and retired members.

Membership in the Plan is open to eligible employees of the Province of British Columbia and certain Crown corporations, agencies, institutions, and other employers approved by the Board, and eligible Members of the Legislative Assembly.

b) Roles and responsibilities

Partners

The Partners and other organizations representing the plan members and employers are responsible for appointing the 14 trustees to the Board. The Partners have responsibility for resolving trustee disputes and, if certain conditions are met, may direct amendments to the pension plan rules.

Board

The Board is responsible for the management of the Plan, including investment of assets and administration of the Plan. The Board may amend the pension plan rules as long as changes can be funded by the Plan's surpluses or are cost neutral to the Plan. Unless required to ensure compliance with regulatory enactments applicable to the Plan, only the Partners can initiate pension plan rule changes that result in contribution rate increases. The Agreement allows the Board to either appoint a chair from among the 14 trustees or appoint a person not appointed by the Partners. The vice-chair is appointed by the other trustees, from among the 14 trustees.

British Columbia Pension Corporation (Pension Corporation)

Pension Corporation provides benefit administration services as an agent of the Board. The Board appoints two members to the eight-member board of directors of Pension Corporation.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

1. DESCRIPTION OF THE PUBLIC SERVICE PENSION PLAN (CONTINUED)

British Columbia Investment Management Corporation (BCI)

BCI provides investment management services, including the valuation of investments, as an agent of the Board. The Board appoints one member to the seven-member board of directors of BCI.

c) Funding

Contributions and investment earnings fund plan benefits. Contributions are made by active members and employers of the Plan. The determination of the value of the benefits and required contributions is based on a triennial actuarial valuation for funding purposes.

The Board's funding policy is intended to secure the pension benefit obligation and achieve long-term stability in contribution rates for both employers and members.

d) Contributions

The following member and employer contributions apply to the majority of members, excluding corrections, ambulance paramedics, statutory officers, provincial court judges, masters of Supreme Court, and Members of the Legislative Assembly (certain limited groups) with higher contribution rates required to fund the cost of their benefits.

Basic Account

Members contributed 7.10% of salaries and employers contributed 7.10% of members' salaries (excluding certain limited groups with higher contribution rates required to fund the cost of their benefits), less amounts allocated to the Supplemental Benefits Account (SBA).

Inflation Adjustment Account

Members contributed 1.25% of salaries to the Inflation Adjustment Account (IAA). Employers contributed 2.75% of salaries to the IAA, less amounts allocated to the SBA.

e) Pension benefits

The following pension benefits apply to the majority of members, excluding certain limited groups, such as public safety occupations, that may be eligible for a benefit earlier than indicated.

All active members are eligible for a pension benefit.

For service on or after April 1, 2018, members are eligible for unreduced pension benefits

- at age 65;
- at age 60, with at least two years contributory service; or
- at age 55 or older, with at least 35 years of contributory service.

Other retiring members have a reduction factor applied to their pensions.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

1. DESCRIPTION OF THE PUBLIC SERVICE PENSION PLAN (CONTINUED)

e) Pension benefits (continued)

For service on or after April 1, 2022, the Plan provides a defined plan benefit of 1.95% of the member's highest five-year average annual salary (HAS) to a maximum of 35 years. The early retirement reduction applicable for service accrued after this date is 6.2% for each year below age 65 or age 60 with two years or more of contributory service.

For service between April 1, 2018 and March 31, 2022, the Plan provides a defined plan benefit of 1.85% of the member's HAS to a maximum of 35 years. The early retirement reduction applicable for service accrued is 6.2% for each year below age 65 or age 60 with two years or more of contributory service.

For service up to March 31, 2018, the defined basic plan benefit was integrated with the Canada Pension Plan. As a result, the Plan provides a benefit of 1.35% (1.3% for members who terminated prior to March 1, 2002) of pensionable earnings up to the year's maximum pensionable earnings (YMPE) and 2.0% of pensionable earnings over YMPE for each year of pensionable service (to a maximum of 35 years). For the pension calculation, pensionable earnings are based on the member's HAS.

For service up to March 31, 2018, the Plan also provides a bridge benefit payable to age 65 (or the date of death, if earlier). The bridge benefit is 0.65% (0.7% for members who terminated prior to March 1, 2002) of the lesser of YMPE or HAS for each year of pensionable service.

Effective October 1, 2019, service earned between April 1, 2006 and March 31, 2018, inclusive, was adjusted. For service earned during this period, the Plan provided an integrated defined basic plan benefit of 1.65% of pensionable earnings up to YMPE, and 2.0% of pensionable earnings over YMPE, for each year of pensionable service. Pensionable earnings are based on the member's HAS. The Plan provided a bridge benefit payable to age 65 (or the date of death, if earlier). The bridge benefit was 0.35% of the lesser of YMPE or HAS for each year of pensionable service.

For service up to March 31, 2018, members are eligible for unreduced pension benefits

- at age 65;
- at age 60, with at least two years contributory service; or
- at age 55 or older, with age plus years of contributory service totalling 85 or more.

Increases to pension payments related to inflation adjustments are not guaranteed but may be provided each January 1 in accordance with the inflation adjustment provisions of the Plan. These inflation adjustments are based on the annual average increase in the Canada consumer price index (CPI) over the preceding 12-month period ending the previous October 31, reduced for the CPI decrease, if any, in prior years and subject to the availability of funds in the IAA.

The Board annually considers all relevant factors and its IAA funding policy to determine if an inflation adjustment will be granted on pensions in pay and the amount of the inflation adjustment, if any.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

1. DESCRIPTION OF THE PUBLIC SERVICE PENSION PLAN (CONTINUED)

f) Termination and portability benefits

Terminating members who have not yet reached the earliest retirement age may choose

- a deferred pension, or
- a transfer of the commuted value of the pension benefit (the minimum value is the member's contributions with interest) to a locked-in retirement vehicle or similar tax-sheltered plan.

Terminating members may also choose to leave their benefit on deposit in anticipation of future re-employment with a Plan employer.

Where there are portability arrangements between the Plan and other pension plans, members may be able to transfer service to another pension plan.

g) Other benefits

Disability and survivor benefits are also available under the Plan. A disability benefit is available to a member under age 60 (under age 55 for certain limited groups) who has terminated employment, becomes totally and permanently disabled as defined by the Plan, has at least two years of contributory service, is not eligible to receive benefits from an approved long-term group disability plan and meets other eligibility requirements.

The disability benefit is calculated using the greater of the member's years of pensionable service to the date of termination of employment and HAS, or an increased pension calculation as specified under the Income Tax Regulations. Disability benefits continue for the member's lifetime unless the member is no longer totally and permanently disabled before age 60 (age 55 for certain limited groups) or returns to work.

A death benefit may be available to a surviving spouse or designated beneficiary upon the death of an active member. Depending on eligibility requirements, the benefit may be paid in the form of a survivor pension or lump-sum payment.

Supplemental benefits are funded from the SBA.

h) Tax registration

The Plan is a Registered Pension Plan (RPP) as defined in the *Income Tax Act* (Canada) (registration number 0345702), except for any supplemental benefits, which are funded in addition to the RPP. The Plan is not subject to income taxes but is subject to indirect taxes, including British Columbia provincial sales tax (PST) and Canadian federal goods and services tax (GST). The Plan receives a 33% rebate of GST paid.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation

These financial statements are prepared on the going-concern basis in accordance with Canadian accounting standards for pension plans, Part IV of the *Chartered Professional Accountants of Canada Handbook* (CPA Canada Handbook), and present the Plan as a separate financial reporting entity, independent of the Plan's contributing employers and members and independent of any associated retired member group benefit plans.

Accounting standards for private enterprises in Part II of the CPA Canada Handbook have been chosen for accounting policies that do not relate to the Plan's investment portfolio or accrued pension obligations.

b) Investments

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investment purchases and sales are recorded on the trade date (the date on which the substantial risks and rewards of ownership have been transferred).

c) Accrued pension obligations

Accrued pension obligations are determined based on an actuarial valuation prepared by an independent actuarial consulting firm. The Plan actuary is Eckler Ltd. The valuation of accrued pension obligations is based on data extrapolated to the financial statement date. The valuation uses the projected benefit method pro-rated on service that incorporates the independent actuary's estimate of various economic and demographic assumptions. These assumptions are the same as those used in the determination of the actuarial position of the Plan for funding purposes.

d) Investment income

Income from investments is recorded on the accrual basis and represents pooled investment portfolio income attributable to the Plan as a unit holder and income from directly held investments. The current period change in fair value includes realized and unrealized gains and losses that are included in investment income.

Within the pools, dividends are accrued on the ex-dividend date, and interest is recognized on an accrual basis. Gains and losses on derivative contracts are recognized concurrently with changes in their fair values.

e) Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing exchange rates on the year-end date. Income and expenses are translated into Canadian dollars at the prevailing exchange rates on the dates of the transactions. The realized and unrealized gains and losses arising from these translations are included within the current period change in fair value in investment income.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Use of estimates

The preparation of financial statements, in conformity with Canadian accounting standards for pension plans, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of increases and decreases in assets and liabilities during the period. Significant areas requiring the use of management estimates relate to the valuation of investments based on unobservable inputs, as further described in note 7, and the calculation of the accrued pension obligations of the Basic Account for accounting and funding purposes, as further described in notes 4 and 5. Actual results could differ materially from these estimates.

3. INVESTMENTS

a) Investments

Fair value of investment holdings	2023			2022		
	Basic account	Inflation adjustment account	Total	Basic account	Inflation adjustment account	Total
Short-term	$ 632	$ 188	$ 820	$ 652	$ 211	$ 863
Bonds	10,972	3,319	14,291	10,076	3,254	13,330
Repurchase agreements	(3,190)	(1,030)	(4,220)	(3,099)	(1,001)	(4,100)
	7,782	2,289	10,071	6,977	2,253	9,230
Canadian equities	1,123	332	1,455	1,174	379	1,553
Global equities	4,860	1,449	6,309	6,102	1,970	8,072
Emerging markets equities	2,234	662	2,896	2,010	649	2,659
Mortgages	1,319	392	1,711	1,098	355	1,453
Real estate	5,900	1,773	7,673	5,274	1,703	6,977
Private equity	5,286	1,591	6,877	4,761	1,537	6,298
IRR*	3,492	1,043	4,535	3,210	1,037	4,247
	$ 32,628	$ 9,719	$ 42,347	$ 31,258	$ 10,094	$ 41,352

* Infrastructure and renewable resources

Plan investments consist primarily of direct ownership in units of pooled investment portfolios. Each unit gives its holder a proportionate share in the value of the net assets of the pooled investment fund. The Basic Account and IAA are combined for investment management purposes.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

a) Investments (continued)

One or more pooled investment portfolios exist for different types of investments, such as short-term investments; bonds; Canadian, global and emerging markets equities; mortgages; real estate; private equity; and infrastructure and renewable resources. While the purpose of each fund is to invest in a particular type of investment, at any time, given the timing of trading activities, the fund may hold a certain amount of cash, short-term investments, accrued interest income and net accounts receivable or payable from outstanding sales and purchases of investments.

Short-term investments consist of Canadian and U.S. money market securities, such as treasury bills with maturities of 15 months or less, and short-term bonds with one- to five-year terms. Short-term investments are valued using current market yields.

Bonds consist of government bonds, investment grade and non-investment grade corporate bonds, repurchase agreements, and debentures. Bonds are valued based on current market yields and, in some cases, quoted market prices. Bonds include the use of repurchase agreements to borrow money to create leverage to purchase other bonds and enhance yields through a leverage bond fund strategy.

Equities consist primarily of publicly traded shares and are valued based on quoted market prices on the primary exchanges on which they are traded.

Mortgages consist mainly of Canadian construction, commercial and multi-family residential mortgages. The mortgages are secured by real estate and valued using current market yields.

Real estate investments consist mainly of diversified Canadian and U.S. income-producing properties. Real estate investments are valued quarterly by external investment managers and, at least once every 10 to 18 months, by accredited independent appraisers to establish current market values.

Private equity consists mainly of equity investments made outside the structure of public markets. Private equity investments are valued either quarterly or annually based on audited financial statements from external investment managers using a market-based approach.

Infrastructure and renewable resources consist of privately owned and managed infrastructure assets, as well as timber, agriculture and other renewable assets. Infrastructure and renewable resource investments are valued annually using a market-based approach or net asset value method.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

b) Derivatives

Derivative contracts are directly and indirectly held by the Plan. The details of these contracts are as follows:

Fair value of derivative contracts	2023		2022	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Directly held				
Foreign currency forwards	$ 240	$ (277)	$ 157	$ (137)
Indirectly held in pooled investment portfolios				
Foreign currency forwards	$ 9	$ (146)	$ 37	$ (16)
Options	-	-	1	(1)
Interest rate swaps	29	(7)	12	(6)
Total return swaps	122	(37)	141	(110)
	$ 160	$ (190)	$ 191	$ (133)
Total derivatives	$ 400	$ (467)	$ 348	$ (270)
Derivatives by investment asset classification				
Bonds	$ 8	$ (113)	$ 54	$ (22)
Canadian equities	5	(2)	14	(8)
Global equities	128	(56)	127	(59)
Emerging markets equities	19	(18)	21	(49)
Mortgages	3	(25)	6	(4)
Real estate	18	(112)	63	(18)
IRR*	219	(141)	63	(110)
Total derivatives	$ 400	$ (467)	$ 348	$ (270)

*Infrastructure and renewable resources

Derivative contracts consist of foreign currency forward contracts, options, futures, interest rate swaps, and total return swaps held directly by the Plan or indirectly through various pooled investment portfolios. Directly held and indirectly held derivative contracts are reflected at fair value based on expected settlement amounts at the date of the Statement of Financial Position. Directly held derivatives are disclosed on the face of the Statement of Financial Position while indirectly held derivatives are included in investments.

A foreign currency forward contract is a privately negotiated contractual obligation to exchange one currency for another at a specified price for settlement on a predetermined date in the future. Foreign currency forward contracts are held by the Plan to manage exposure to foreign currency risk.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

b) Derivatives (continued)

Options are contracts that give the buyer the right, but not the obligation, to buy or sell a certain security or index at an agreed-upon price on or before a specified date. Futures contracts are exchange-traded contractual obligations to take or make delivery of an asset at a predefined price and date in the future. Gains and losses on futures contracts are settled daily. Options and futures are held for synthetic indexing, a modern technique used to replicate the performance of a security or index without directly purchasing or selling the underlying assets and for risk control.

An interest rate swap is an agreement between two counterparties in which one stream of future interest payments is exchanged for another based on a specified principal amount. Interest rate swaps usually involve the exchange of a fixed interest rate for a floating interest rate, or vice versa, to reduce or increase exposure to fluctuations in interest rates or to obtain a marginally better interest rate than would have been possible without the swap.

A total return swap is a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, including both the income it generates and any capital gains. In total return swaps, the underlying asset (referred to as the reference asset) is usually an equity index or basket of equity securities. Interest rate swaps and total return swaps are held indirectly through various pooled investment portfolios for synthetic indexing purposes.

Derivative transactions are supported with collateral to mitigate counterparty credit risk. A single net fair value amount is used to determine the value of collateral with each counterparty. Collateral approximately equal to the positive fair value of each derivative contract has been provided by counterparties, and collateral approximately equal to the negative fair value of each derivative contract has been delivered to counterparties. Acceptable forms of collateral are Canadian federal or provincial bonds, and U.S. federal government treasury bills and bonds.

The notional value of derivatives is the total value of a position, how much value a position controls, or an agreed-upon amount in a contract.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

b) Derivatives (continued)

Notional value of derivatives			2023	2022
Term to maturity	Within 1 year	1 to 5 years	Total	Total
Directly held				
Foreign currency forwards	$ 16,829	$ -	$ 16,829	$ 17,985
Indirectly held in pooled investment portfolios				
Foreign currency forwards	$ 5,178	$ -	$ 5,178	$ 4,497
Options	42	-	42	16
Interest rate swaps	2,326	1,640	3,966	4,733
Total return swaps	7,471	17	7,488	9,644
	$ 15,017	$ 1,657	$ 16,674	$ 18,890
Total derivatives	$ 31,846	$ 1,657	$ 33,503	$ 36,875
Derivatives by investment asset classification				
Bonds	$ 4,759	$ -	$ 4,759	$ 9,358
Canadian equities	363	101	464	1,097
Global equities	8,167	1,089	9,256	10,613
Emerging markets equities	1,685	467	2,152	1,779
Mortgages	1,055	-	1,055	805
Real estate	4,706	-	4,706	4,006
IRR*	11,111	-	11,111	9,217
Total derivatives	$ 31,846	$ 1,657	$ 33,503	$ 36,875

* Infrastructure and renewable resources

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

3. INVESTMENTS (CONTINUED)

c) Repurchase agreements

The Plan has indirect exposure to repurchase agreements through its investment in the pooled investment portfolio underwritten on bond securities. Repurchase agreements are short-term agreements to sell securities in order to buy them back at a slightly higher price. The party selling the repurchase agreement is effectively borrowing, and the other party is lending, since the lender is credited the implicit interest in the difference in prices. Securities sold under repurchase agreements are accounted for as collateralized borrowing because they represent the sale of securities with a simultaneous agreement to buy them back at a specified future date. The securities sold under these agreements continue to be recognized on the statements of financial position with any changes in fair value recorded as net gain (loss) on investments and included in investment income. Interest incurred on repurchase agreements is included in borrowing costs within investment-related expenses.

Repurchase agreements are carried at the amount at which the securities were initially acquired or sold, which, together with accrued interest income or expense, approximates fair value due to the short-term nature of these agreements.

4. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR ACCOUNTING PURPOSES

a) Basic Account

In accordance with the Agreement and PBSA, an actuarial valuation is performed at least every three years. Its primary objective is to assess the financial position and adequacy of funding for the Basic Account of the Plan as described in note 5a. As part of the actuarial valuation, the Plan actuary also calculates values, for accounting purposes, of the Basic Account assets as at, and pension liabilities accrued to, the financial statement date. For this purpose, contributions and benefits for future service are not included, in contrast to their inclusion in the valuation for funding purposes as described in note 5a. Also for accounting purposes, the full impact of investment fair value changes is reflected in the financial statements as at the financial statement date compared with the deferral and amortization of fair value gains or losses in the valuation for funding purposes. The liability for accrued basic pension obligations at the valuation date is determined using the projected benefit method pro-rated on service.

The latest full actuarial valuation for accounting purposes was prepared as at March 31, 2020, by Eckler Ltd. This valuation calculated the liability for accrued basic pension obligations for financial statement purposes to be $21,629 million.

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Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

4. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR ACCOUNTING PURPOSES (CONTINUED)

a) Basic Account (continued)

Between valuations, an estimate of the actuarial position is required. This estimate, an extrapolation, has been made to March 31, 2023, using the following long-term actuarial assumptions:

- Annual investment return 6.00%
- Annual salary escalation rate 3.25%

The extrapolation calculated the liability for accrued basic pension obligations to be $25,242 million (2022: $23,581 million).

Extrapolations may not be reliable indicators of the next valuation results, nor do they necessarily reflect the overall trend of results. Between valuations, actual wage increases, investment earnings, and the incidence of retirements, withdrawals and changes in other factors may vary significantly from the long-term assumptions used in the extrapolation. In the event of a major change to the Plan, a new valuation or review of assumptions may be required.

The next full actuarial valuation will be carried out as at March 31, 2023, with the results included in the March 31, 2024, financial statements.

Actuarial liabilities are also affected by changes in the assumed investment return. Based on the actuarial valuation completed as at March 31, 2020, a reduction in the investment return assumption from 6.00% to 5.75% would have increased the March 31, 2023, liability for accrued basic pension obligations of $25,242 million by $726 million or 2.88% and the impact of a 1% change would be approximately four times the amount. Changes to assumptions included in the actuarial valuation are interrelated, and the cumulative impact of changed assumptions may be offsetting.

b) Inflation Adjustment Account (IAA), non-guaranteed pension obligations

No unfunded liability exists for the IAA since the obligation for future inflation adjustments is limited to the amount of the available assets in the account. There is no minimum level of inflation adjustment required to be paid under the pension plan rules, nor is there any Plan provision to fund the IAA to any minimum level of future potential inflation adjustments (note 5b). The non-guaranteed pension obligations is therefore equal to the net assets available for benefits in the IAA, 2023: $9,716 million (2022: $10,082 million). The net decrease of $366 million (2022: $477 million increase) in the IAA balance consists of employee and employer contributions, investment income and net transfers reduced by payments out of the account (see note 13 for details on amounts transferred).

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Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES

a) Basic Account

The Basic Account is the account from which the defined basic benefits of the Plan are paid. In accordance with the Agreement and PBSA, an actuarial valuation of the Plan's assets and pension obligations is performed at least every three years by an independent actuary to determine an appropriate combined employer and member contribution rate to fund the Basic Account. For this purpose, the Plan's actuary values both accrued assets and accrued pension obligations to the financial statement date, and contributions and benefits for future service. The contribution requirements are calculated by the actuary using the entry-age normal cost method (entry-age method).

This method produces the long-term rate of member and employer contributions sufficient to provide benefits for the average future new entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus, and this rate will be adjusted for the amortization of any unfunded actuarial liability. Future contribution rate determinations will exclude consideration of the assets in the RSA, which is held notionally within the Basic Account; if contribution rate increases are considered, funds will be transferred from the RSA to keep the rate at its current level or to minimize the increase.

The Basic Account is also the account from which any inflation adjustments granted to retired members are paid. Future inflation adjustments are not guaranteed within the Plan provisions and are granted to retired members only to the extent that sufficient assets are available from the IAA to fund those benefits (note 5b). As inflation adjustments are granted, the Basic Account receives from the IAA the present value funding necessary for the inflation adjustments granted. Therefore, accrued basic pension obligations for valuation purposes include the liability for all inflation adjustments granted to the date of the valuation, but not for as-yet-unknown future inflation adjustments.

Actuarial valuation

The latest full actuarial valuation for funding purposes was prepared as at March 31, 2020, by the independent actuary based on the entry-age method; the valuation indicated an actuarial surplus of $2,667 million excluding $117 million set aside for stabilization purposes.

The 2020 valuation showed there was sufficient surplus to improve the benefit. Accordingly, the benefits were improved as described in Note 1 and in fiscal 2022 the Board agreed to transfer $1,135 million of the surplus to an RSA effective March 31, 2020. In addition, $117 million that had been set aside for stabilization purposes in the March 31, 2020 actuarial valuation was also transferred with interest to the RSA. Interest is added to the RSA at the smoothed investment return rate. Interest from March 31, 2020 to March 31, 2022 was $309 million.

The Agreement specifies that, if an actuarial valuation indicates increased basic contribution rates are required, the increase must be shared equally by members and employers. The Agreement also describes the manner in which the Board can elect to apply surplus assets.

An estimate of the actuarial position of the Plan for funding purposes has been made to March 31, 2023, using the following long-term actuarial assumptions:

- Annual investment return 6.00%
- Annual salary escalation rate 3.25%

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Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES (CONTINUED)

a) Basic Account (continued)

This estimate, an extrapolation, produced an estimated accessible actuarial excess of $3,756 million as at March 31, 2023 (2022: $2,871 million), as follows:

Funding extrapolation	2023	2022
Net assets available for basic pension benefits	$ 32,631	$ 31,299
Actuarial asset value adjustment	333	(1,109)
Smoothed assets for basic pension benefits	32,964	30,190
Rate stabilization account	(1,695)	(1,561)
Smoothed assets excluding rate stabilization account	31,269	28,629
Present value of future contributions at entry-age rate	7,050	6,519
Present value of temporary rate reduction below entry-age rate	(270)	(328)
Net actuarial assets for basic pension benefits	38,049	34,820
Actuarial liability for accrued and future basic pension benefits	(32,996)	(30,738)
Entry-age method actuarial surplus	$ 5,053	$ 4,082
PBSA 5% of net liabilities	(1,297)	(1,211)
Accessible actuarial excess	$ 3,756	$ 2,871

Changes in the extrapolated entry-age method funded status	2023	2022
Extrapolated entry-age method actuarial surplus, beginning of year	$ 4,082	$ 3,101
RSA transfer	-	(1,561)
2022 Amendment	-	(73)
Change in amortization	-	549
Extrapolated change in actuarial liability for accrued and future basic pension benefits	(2,258)	(1,380)
Extrapolated change in actuarial assets for basic pension benefits	3,229	3,446
Extrapolated entry-age method actuarial surplus, end of year	$ 5,053	$ 4,082
PBSA 5% of net liabilities	(1,297)	(1,211)
Accessible actuarial excess	$ 3,756	$ 2,871

In Fiscal 2022, the Plan's benefit improvement resulted in a reduction in the amortization value, due to the amortization period reducing from 25 years to 5 years, which was partially offset by the increase in the entry age normal cost. The Joint Trust Agreement and the Funding policy requires that the higher of the rate calculated using 25 year amortization of the funding surplus and the rate calculated using 5 year amortization of the accessible actuarial excess must be paid. The benefit improvement caused the 5 year amortization of the accessible actuarial excess to become the higher rate. This also requires that 5% of the net liabilities (total liabilities less the present value of future contributions at entry-age rate) be held in the Basic Account, which was not the case prior to the benefit improvement.

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Notes to the financial statements for the year ended March 31, 2023

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5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES (CONTINUED)

a) Basic Account (continued)

Extrapolations may not be reliable indicators of the next valuation results, nor do they necessarily reflect the overall trend of results. Between valuations, various factors, including actual wage increases, investment earnings, and the incidence of retirements and withdrawals, may vary significantly from the long-term assumptions used in the extrapolation.

Measurement difference between funding and accounting positions

The primary components of the measurement differences between the extrapolated entry-age method accessible actuarial excess and the financial statement accounting surplus are as follows:

Measurement difference between funding and accounting positions	2023	2022
Accessible actuarial excess	$ **3,756**	$ 2,871
PBSA 5% of net liabilities	**1,297**	1,211
Actuarial asset value adjustment	**(333)**	1,109
Rate stabilization account	**1,695**	1,561
Difference in actuarial methods – present value of future contributions	**(7,050)**	(6,519)
Difference in actuarial methods – present value of rate reduction	**270**	328
Difference in actuarial methods – present value of future liabilities	**7,754**	7,157
Measurement differences between funding and accounting positions	**3,633**	4,847
Surplus for financial statement purposes	$ **7,389**	$ **7,718**

Actuarial asset value adjustment

To determine the entry-age method surplus for funding purposes, the actuarial value of net assets available for benefits is determined on an adjusted value basis that smooths the difference between the actual investment return and the expected return based on a long-term real return rate over a five-year period.

The funding policy requires that the value of the assets be smoothed within a certain corridor. In the 2020 valuation, the corridor required that the smoothed value be no more than 108% and no less than 92% of the market value of the assets. The smoothed value of the assets at March 31, 2023 was 101.0% of the market value of the assets (2022: 96.5%).

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Notes to the financial statements for the year ended March 31, 2023

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5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES (CONTINUED)

a) Basic Account (continued)

The following schedule indicates the year the components of the actuarial asset value adjustment will be recognized in the entry-age method actuarial surplus. The amounts are based on that proportion of the total fund related to the Basic Account assets.

Actuarial asset value adjustment	2023	2022
2023	-	420
2024	**132**	384
2025	**197**	447
2026	**(403)**	(142)
2027	**(259)**	-
Total adjustment	$ (333)	$ **1,109**

Rate Stabilization Account

As per the Agreement, $1,135 million of the March 31, 2020 valuation surplus and $117 million stabilization amount in the valuation, together with interest at the smoothed rate of return from March 31, 2020 to March 31, 2022 of $309 million were transferred to the RSA which is held notionally within the Basic Account. Interest on the RSA is determined by applying the smoothed rate of return to the fiscal year-end balance. For 2023, $134 million of interest was transferred from the Basic Account to the RSA based on the 2023 smoothed rate of return of 8.6%

Rate stabilization account	2023	2022
Opening balance	$ **1,561**	$ -
2020 valuation surplus transfer	-	1,135
2020 valuation stabilization amount	-	117
Interest	**134**	309
Ending balance	$ **1,695**	$ **1,561**

Difference in actuarial methods

While the accrued pension benefit liability for financial statement purposes uses the projected benefit method pro-rated on service, the pension liability for funding purposes uses an entry-age funding method, where the present value of future normal cost contributions, basic pension benefits for future service and future amortization amounts are included in the determination of the funded status of the Plan.

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Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

5. ACTUARIAL VALUATION OF THE BASIC ACCOUNT FOR FUNDING PURPOSES (CONTINUED)

b) Inflation Adjustment Account (IAA)

No unfunded liability exists for the IAA, since the obligation for future inflation adjustments is limited to the amount of the available assets in the account. As inflation adjustments are granted to retired members, full funding for the granted inflation adjustment, on a net present value basis, is transferred from the IAA to the Basic Account, from which the pensions are paid. There is no minimum level of inflation adjustment required to be paid under the pension plan rules, nor is there any Plan provision to fund the IAA to any minimum level for future potential inflation adjustments.

The Board annually considers all relevant factors and its IAA funding policy to determine if an inflation adjustment will be granted on pensions in pay and the amount of the inflation adjustment, if any.

The Board monitors the performance of the IAA and, at least annually, reviews a sensitivity analysis of the projected impact on the IAA of possible differing future economic trends. Such factors include inflation rates, real wage growth rates, real investment rates of return and group health benefits costs. This sensitivity analysis assists the Board to identify scenarios, some years in advance of their possible occurrence, in which the IAA assets may cease to grow and the Plan may not be able to grant full CPI increases.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

6. FINANCIAL RISK MANAGEMENT

The Board approves the long-term asset mix policy for investment assets through its Statement of Investment Policies and Procedures (SIPP) and oversees the management of these assets through the Board's investment management agent, BCI. The SIPP requires diversification of investments among asset classes, sets guidelines on investment categories, and limits the exposure to individual investments and counterparties.

Significant risks are regularly monitored and managed by BCI, and actions are taken when appropriate, according to the Plan's SIPP. In addition, these risks are reviewed periodically with the Board. Such risks include liquidity risk, as well as other financial risks, which comprise currency risk, interest rate risk, other price risk and credit risk.

Financial risks are disclosed on a unit-of-account basis (note 6b), which represents the legal ownership of securities held, and at the underlying securities level (note 6c), which provides additional insight to other risks that may impact the financial instruments of the Plan. Both forms of disclosure provide valuable perspectives into financial risks that may directly or indirectly impact the financial statements and the funded status of the Plan. These two forms of risk disclosure are not additive to each other.

a) Liquidity risk

Liquidity risk is the risk of not being able to meet the Plan's cash requirements in a timely and cost-effective manner. Expenditures relate primarily to pensions, termination and refund benefits, investment and administration costs, and retired member group benefits. The Plan's approach to mitigating liquidity risk is to forecast its cash requirements over the near and long term to determine whether sufficient funds are available.

The Plan's primary source of liquidity is income generated from the Plan's investments, and employer and employee contributions. Investments are primarily held in pooled funds, and the securities held are traded in active markets and can be readily sold, and where the pooled fund units can thereby be redeemed to fund cash requirements. Accounts payable of $18 million (2022: $20 million) are generally due within one month. Derivatives payable of $277 million (2022: $137 million) are due within the next fiscal year.

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Notes to the financial statements for the year ended March 31, 2023

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Financial risks on a unit-of-account basis

Plan investments consist primarily of direct ownership in units of pooled investment portfolios. Each unit gives its holder a proportionate interest in the value of the net assets of the respective pooled investment fund. The unit-of-account of the Plan's investments is the units of the pooled investment funds.

Market risk

Market risk is the risk that the fair values of an investment will fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. Market risk consists of currency, interest rate and other price risk.

Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the fund will fluctuate due to changes in foreign exchange rates. The Plan holds primarily Canadian dollar denominated investment pooled fund units and is exposed to currency risk through holdings of small amounts of foreign currency denominated debt investments. See note 6c for currency exposure related to underlying securities.

Foreign denominated investments held as a percentage of the fund

		2023	%		2022	%
United States	$	475	1.1	$	509	1.2
Australia		(1)	0.0		2	0.0
Investments	$	474	1.1	$	511	1.2

As at March 31, 2023, if the Canadian dollar strengthened or weakened by 10% in relation to all foreign currencies, with all other factors remaining constant, net assets available for benefits would have decreased or increased by approximately $47 million (2022: $51 million).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of Plan investments will change as a result of future fluctuations in market interest rates. The majority of the Plan's investment assets are non-interest bearing and not subject to interest rate risk. See note 6c for interest rate risk related to underlying securities.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Financial risks on a unit-of-account basis (continued)

Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument, its issuer or factors affecting all similar financial instruments traded in the market. The Plan's investments are subject to other price risk through its public equity investments and private market investments, including equity in real estate companies, held directly and through pooled investment portfolios. This risk is managed by diversifying investments across asset classes based on criteria established in the SIPP.

As at March 31, 2023, if the pooled investment fund unit and directly held debt prices increased or decreased by 10%, with all other factors remaining constant, net assets available for benefits would have increased or decreased by approximately $4,234 million (2022: $4,135 million).

In February 2022, events concerning Russia and Ukraine have resulted in sanctions being levied against Russian interests by numerous countries. As a result of this ongoing situation, the price and liquidity of securities connected to Russia have declined significantly and were written down to zero. The duration and extent of the impact of this situation on the Plan's other investments remain unclear.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss to the Plan. The majority of the Plan's investments are held in securities that are not subject to credit risk. See note 6c for credit risk related to underlying securities.

Credit exposure exists for contributions receivable directly held by the Plan totalling $36 million (2022: $33 million), interest and dividends receivable $6 million (2022: $3 million), and for the derivatives $240 million (2022: $157 million).

c) Financial risks of underlying securities held through pooled investment funds

Pooled investment funds exist for different types of investments, such as short-term investments; bonds; Canadian, global and emerging markets equities; mortgages; real estate; private equity; and infrastructure and renewable resources. Examining the risks of the underlying securities contained in pooled investment funds provides additional disclosure to assess the overall financial risks of the Plan's investments. Viewing the financial risks of underlying securities is an alternative way of disclosing financial risks from the unit-of-account basis in note 6b. These risks are not considered additive to the financial risks already disclosed in note 6b.

Market risks are reduced through asset class diversification, diversification within each asset class and credit quality requirements on investments.

($ millions except as otherwise noted)

6. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Financial risks of underlying securities held through pooled investment funds (continued)

Currency risk

Currency exposure also arises from foreign currency denominated investments held directly and from underlying investments held indirectly in pooled investment funds. BCI has currency exposure management programs under which it enters into economic hedges of foreign currency exposure through the use of forward foreign currency contracts.

The Plan's total currency exposure, the impact of economic hedging activities and its net notional exposure as at March 31 are as follows:

Foreign denominated investment holdings (Cdn dollar equivalent)	Total exposure	Economic hedging	Net exposure	% of total
		2023		
United States	$ 19,780	$ 5,402	$ 14,378	62%
Euro countries	4,106	522	3,584	15%
Asia-Pacific, excluding Japan	2,593	123	2,470	11%
United Kingdom	1,492	116	1,376	6%
Other	963	-	963	4%
Other Europe	369	111	258	1%
Japan	300	2	298	1%
	$ 29,603	$ 6,276	$ 23,327	100%
		2022		
United States	$ 15,490	$ 4,653	$ 10,837	56%
United Kingdom	3,356	67	3,289	17%
Euro countries	3,058	210	2,848	15%
Asia-Pacific, excluding Japan	1,724	108	1,616	8%
Other	640	-	640	3%
Other Europe	218	103	115	1%
Japan	84	-	84	0%
	$ 24,570	$ 5,141	$ 19,429	100%

The net foreign currency exposure of its underlying investment represents 55% (2022: 47%) of the Plan's total investments.

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Notes to the financial statements for the year ended March 31, 2023

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Financial risks of underlying securities held through pooled investment funds (continued)

Interest rate risk

The Plan's pooled investment funds hold interest-bearing financial instruments in short-term investments, bonds and mortgages. The risk of adverse changes in interest rates is reduced within the underlying investment pools through management of duration in exposure to fixed income securities, the use of floating rate notes and interest rate swaps, and general diversification by security type and geographic region. The Plan participates in a leveraged bond strategy using repurchase agreements that is included in the terms to maturity table below.

The terms to contractual maturity of interest-bearing financial instruments held directly and through pooled investment portfolios as at March 31, are as follows:

Terms to maturity of interest-bearing financial instruments

	Within 1 year	1 to 5 years	6 to 10 years	Over 10 years	Total	Effective yield to maturity
			2023			
Short-term	$ 820	$ -	$ -	$ -	$ 820	4.75%
Bonds	1,734	4,730	3,782	4,045	14,291	5.18%
Repurchase agreements	(4,220)	-	-	-	(4,220)	-4.53%
Mortgages*	538	1,168	5	-	1,711	6.77%
Debt**	-	1	2	-	3	4.80%
	$ (1,128)	$ 5,899	$ 3,789	$ 4,045	$ 12,605	
			2022			
Short-term	$ 860	$ 3	$ -	$ -	$ 863	0.50%
Bonds	1,380	3,723	4,221	4,006	13,330	3.48%
Repurchase agreements	(4,100)	-	-	-	(4,100)	-0.48%
Mortgages*	187	1,040	226	-	1,453	5.49%
Debt**	-	2	2	-	4	4.80%
	$ (1,673)	$ 4,768	$ 4,449	$ 4,006	$ 11,550	

*Yield based on mortgages in the fixed term mortgage fund. Other mortgage funds contain variable rate mortgages.

** Grouped with real estate investment category.

As at March 31, 2023, if the prevailing interest rates had increased or decreased by 1%, assuming a parallel shift in the yield curve with all other variables remaining constant, the fair value of interest-bearing financial instruments and net assets available for benefits would have decreased or increased by approximately $856 million (2022: $940 million).

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Notes to the financial statements for the year ended March 31, 2023

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6. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Financial risks of underlying securities held through pooled investment funds (continued)

Other price risk

Other price risk associated with the underlying investments held in pooled investment funds is consistent with that described earlier in note 6b, which describes financial risks on a unit-of-account basis.

Credit risk

The Plan's underlying investment assets held in pooled investment funds attract credit risk. This is the risk that a loss may occur from the failure of another party to perform according to the terms of a contract. It's also the risk of losses when issuers and debtors are downgraded by credit rating agencies, usually leading to a fall in the market value of the debtors' obligations. Credit risk is managed by establishing specific investment criteria, such as minimum credit ratings for investees and counterparties and maximum concentration limits with given counterparties.

Credit risk ratings on financial instruments (short-term investments, bonds, mortgages and debt) held directly and through pooled investment portfolios are as follows:

Credit rating of financial instruments	2023		2022	
AAA/AA	$ 4,897	39%	$ 3,387	29%
A	1,888	15%	3,249	28%
BBB	493	4%	625	6%
Non-investment grade	837	6%	1,051	9%
	8,115	64%	8,312	72%
Unrated	4,490	36%	3,238	28%
	$ 12,605	100%	$ 11,550	100%

The ratings used are defined by Standard & Poor's rating agency. Obligations rated AAA/AA have the highest rating assigned. The counterparty's capacity to meet its financial commitment on the obligation is very strong. Bonds rated A, BBB or non-investment grade are weaker, with the BBB rating denoting an obligation with adequate protection parameters and a non-investment grade rating denoting major ongoing uncertainties or exposure to adverse business, financial or economic conditions that could lead to the debtor's inadequate capacity to meet its financial commitment on the obligation. Unrated financial instruments consist mainly of mortgages secured by real estate, debt and corporate bonds.

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Notes to the financial statements for the year ended March 31, 2023

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7. FAIR VALUE OF FINANCIAL INSTRUMENTS

a) Fair value hierarchy

Fair value measurements of the investment assets and liabilities are based on inputs from one or more levels of a fair value hierarchy. Each level is based on the transparency of the inputs used to measure the fair values of assets and liabilities. The three levels of the fair value hierarchy are as follows:

Level 1

Inputs that are unadjusted quoted prices in active markets for identical assets or liabilities

Level 2

Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly

Level 3

Inputs that are not based on observable market data

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Notes to the financial statements for the year ended March 31, 2023

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7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

a) Fair value hierarchy (continued)

Plan investments are carried at fair value in the financial statements. The following table details the classification of the Plan's investments based on the fair value hierarchy as at March 31:

Fair value hierarchy	Level 1	Level 2	Level 3	Total
		2023		
Pooled fund units	$ 8,673	$ 13,655	$ 20,016	$ 42,344
Direct debt*	-	-	3	3
Investments	$ 8,673	$ 13,655	$ 20,019	$ 42,347
Derivatives	$ -	$ (37)	$ -	$ (37)
		2022		
Pooled fund units	$ 863	$ 23,898	$ 16,587	$ 41,348
Direct debt*	-	-	4	4
Investments	$ 863	$ 23,898	$ 16,591	$ 41,352
Derivatives	$ -	$ 20	$ -	$ 20

*Grouped with real estate investment category.

During 2023 and 2022, there were no significant transfers of investments between levels.

The following table reconciles the Plan's level 3 fair value measurements:

Level 3 fair value hierarchy	Pooled fund units	Direct debt	Total
		2023	
Balance, beginning of year	$ 16,587	$ 4	$ 16,591
Net gain (loss) included in investment income	973	(1)	972
Purchases	10,517	-	10,517
Sales	(8,061)	-	(8,061)
Balance, end of year	$ 20,016	$ 3	$ 20,019
Total unrealized gain (loss) included in investment income	$ 116	$ -	$ 116
		2022	
Balance, beginning of year	$ 14,343	$ 4	$ 14,347
Net gain (loss) included in investment income	1,170	-	1,170
Purchases	5,094	-	5,094
Sales	(4,020)	-	(4,020)
Balance, end of year	$ 16,587	$ 4	$ 16,591
Total unrealized loss included in investment income	$ (203)	$ -	$ (203)

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Notes to the financial statements for the year ended March 31, 2023

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7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

b) Valuation models

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

BCI uses widely recognized valuation methods for determining the fair value of common and less complex financial instruments such as investments in pooled funds, where fair value is based on the underlying net asset value of the respective pooled fund as determined by the underlying fund manager. Observable prices and model inputs are usually available in the market for listed equity and debt securities, simple derivatives such as forward or future currency contracts and pooled funds.

The availability of observable market prices and model inputs reduces the need for management judgment and estimation, and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the financial instrument and is subject to change based on specific events and general conditions in the financial markets.

For more complex financial instruments, such as direct private debt investments held by the Plan, BCI uses proprietary valuation models, which are usually developed from recognized valuation models. Some or all of the significant inputs into these models may not be observable in the market and are derived from market prices or rates, or estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation in the determination of fair value. BCI's judgment and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows of the financial instrument being valued, determination of the probability of counterparty default and prepayments, and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that BCI believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Plan and the counterparties where appropriate.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

c) Valuation framework

BCI has an established framework with respect to the measurement of fair values of financial instruments. Where possible, for direct private equity investments held by the Plan, external, independent valuation specialists are engaged annually to assist in the determination of fair value. In those circumstances where BCI relies on the third-party manager for the determination of fair value, BCI reviews the appropriateness of such valuations using audited financial statements of the underlying investments, where available, and other information from the underlying third-party manager or other sources.

In addition, BCI applies the following specific controls in relation to the determination of fair values:

- Verification of observable pricing inputs
- Appraisal of domestic real estate properties once every 10 to 18 months by accredited independent appraisers
- Analysis and investigation of significant valuation movements
- Review of unobservable inputs and valuation adjustments

When third-party information such as broker quotes or pricing services is used to measure fair value, BCI assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations are appropriate. This includes:

- Verifying that the broker or pricing service is approved by BCI for use in pricing the relevant type of financial instrument
- Understanding how the fair value has been arrived at and the extent to which it represents actual market transactions
- Understanding how fair value has been determined when a number of quotes for similar financial instruments have been obtained
- Understanding how prices for similar financial instruments used to measure fair value have been adjusted to reflect the characteristics of the financial instrument subject to measurement

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Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

d) Significant unobservable inputs used in measuring fair value

The following table sets out information about significant unobservable inputs used at year-end in measuring financial instruments categorized as level 3 in the fair value hierarchy.

Significant unobservable inputs used in measuring fair value

Description	Fair value	Valuation technique	Unobservable input	Amount / range	Sensitivity to change in significant unobservable input
			2023		
					The estimated fair value would increase if:
Pooled fund units	**$ 20,016**	**Net asset value**	**Net asset value**	**$ 20,016**	**The net asset value increased**
Direct debt	**$ 3**	**Discounted cash flow**	**Discount rate**	**4.8%**	**The discount rate decreased**
			2022		
					The estimated fair value would increase if:
Pooled fund units	$ 16,587	Net asset value	Net asset value	$ 16,587	The net asset value increased
Direct debt	$ 4	Discounted cash flow	Discount rate	4.8%	The discount rate decreased

Net asset value

Net asset value is determined by BCI based on the fair value of assets less liabilities. Such investments are closed funds with significant restrictions on redemptions, and accordingly, BCI is unable to dispose of the pooled fund investment until the maturity or wind-up and liquidation of the respective pooled fund. In such cases, it is the Plan's policy to categorize the pooled fund investment as level 3 within the fair value hierarchy.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

7. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

d) Significant unobservable inputs used in measuring fair value (continued)

Discount rate

This represents the discount rate applied to the expected future cash flows of the direct debt investment. For the discount rates used, the underlying investment manager assesses both the risk premium and the appropriate risk-free rate based on the economic environment in which the investee entity operates. The discount rate is adjusted for such matters as liquidity differences, credit and market factors. The estimated future cash flows are then discounted using the discount rate determined. Cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the respective investee entity.

e) Effects of unobservable input on fair value measurement

The use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in level 3, changing one or more of the assumptions used for a reasonable alternative assumption could have the following effects on net assets attributable to holders of redeemable units.

The pooled fund units and direct debt investment were valued based on information received from BCI, the manager of the respective investments. The fair value of these investments fluctuates in response to changes to specific assumptions for these particular investments, as determined by BCI. The favourable and unfavourable effects of reasonable alternative assumptions for the valuation of pooled fund units and direct debt investments have been calculated by adjusting the respective underlying net asset value by 10%.

	2023		2022	
	Favourable	Unfavourable	Favourable	Unfavourable
Pooled fund units	$ 2,002	$ (2,002)	$ 1,659	$ (1,659)
Direct debt	-	-	-	-
	$ 2,002	$ (2,002)	$ 1,659	$ (1,659)

f) Financial instruments not measured at fair value

The carrying value of contributions receivable, due from sale of investments, accounts payable and accrued expenses, and payable for purchase of investments approximate their fair value given their short-term nature. These financial instruments are classified as level 2 in the fair value hierarchy because, while prices are available, there is no active market for these instruments.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

8. INVESTMENT INCOME

	2023			2022		
	Income allocation	Change in fair value	Total	Income allocation	Change in fair value	Total
Short-term	$ 19	$ 35	$ 54	$ 2	$ (8)	$ (6)
Bonds	301	(554)	(253)	272	(669)	(397)
Canadian equities	37	(90)	(53)	35	229	264
Global equities	163	(9)	154	135	405	540
Emerging markets equities	88	(44)	44	75	(399)	(324)
Mortgages	152	3	155	35	24	59
Real estate	200	285	485	698	94	792
Private equity	818	(332)	486	805	801	1,606
IRR*	297	324	621	663	(165)	498
	2,075	(382)	1,693	2,720	312	3,032
Directly held derivatives	-	(83)	(83)	-	18	18
	$ 2,075	$ (465)	$ 1,610	$ 2,720	$ 330	$ 3,050

* Infrastructure and renewable resources

Investment income represents realized and unrealized pooled investment portfolio income attributable to the Plan, as a unit holder, and income from directly held investments. Income allocation is composed of interest, dividends and other investment payments. Change in fair value is composed of realized gains and losses on the disposal of investments and derivatives, and unrealized gains and losses on investments and derivatives held at year-end. All income earned within a pooled investment portfolio is reinvested within the portfolio.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

9. CONTRIBUTIONS

	Basic account	Inflation adjustment account	Supplemental benefits account	Total
		2023		
Employer contributions				
Province of British Columbia				
Regular	$ 181	$ 63	$ 22	$ 266
Past service purchases	1	-	-	1
Retired member group benefits	-	-	16	16
	182	63	38	283
Other employers				
Regular	166	50	2	218
Past service purchases	1	-	-	1
Retired member group benefits	-	-	13	13
	167	50	15	232
Total employer contributions	349	113	53	515
Member contributions				
Regular	356	63	1	420
Past service purchases	3	1	-	4
	359	64	1	424
	$ 708	$ 177	$ 54	$ 939
		2022		
Employer contributions				
Province of British Columbia				
Regular	$ 168	$ 56	$ 20	$ 244
Past service purchases	1	-	-	1
Retired member group benefits	-	-	15	15
	169	56	35	260
Other employers				
Regular	156	45	3	204
Past service purchases	-	-	-	-
Retired member group benefits	-	-	13	13
	156	45	16	217
Total employer contributions	325	101	51	477
Member contributions				
Regular	329	58	1	388
Past service purchases	4	1	-	5
	333	59	1	393
	$ 658	$ 160	$ 52	$ 870

Member and employer contributions are as defined under the pension plan rules. Members' past service purchases are voluntary contributions.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

10. BENEFITS

	Basic account	Inflation adjustment account	Supplemental benefits account	Total
		2023		
Regular pension benefits	$ 1,046	$ -	$ 21	$ 1,067
Indexing—regular pension benefits	234	-	4	238
Termination and refund benefits	55	62	-	117
Death benefit payments	14	8	-	22
	$ 1,349	$ 70	$ 25	$ 1,444
		2022		
Regular pension benefits	$ 994	$ -	$ 20	$ 1,014
Indexing—regular pension benefits	199	-	3	202
Termination and refund benefits	37	69	1	107
Death benefit payments	14	11	-	25
	$ 1,244	$ 80	$ 24	$ 1,348

11. SUPPLEMENTAL BENEFITS ACCOUNT

The SBA funds certain supplemental benefits; for example, pension benefits which exceed the *Income Tax Act* limits for registered pension plans are paid through this account. Certain group benefit coverage has been provided for retired members through this account. The availability, type and level of retired member group benefit coverage are contingent upon the availability of funding for such benefits.

To the extent retired member group benefits are funded from the SBA (2023: $29 million; 2022: $28 million), they are funded from current contributions that would otherwise be employer contributions to the IAA and are capped at 1% of pensionable salaries, which equates to 25% of total current member and employer IAA contributions. Retired member group benefit costs (shown on the Statement of Changes in Net Assets Available for Benefits) represent group benefit costs paid by the Plan less any premiums paid by retired members.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

12. RELATED PARTY TRANSACTIONS

a) Transfers from Members of the Legislative Assembly (MLA) Superannuation Account

The Members of the Legislative Assembly Superannuation Account (MLA Account) was established under Part 2 of the *Members' Remuneration and Pensions Act* which was amended in July 1995 to discontinue the accrual of benefit entitlements under Part 2 after June 19, 1996. As at March 31, 2023, two members remain (2022: two members) with eligibility for a benefit from the MLA Account.

When an eligible MLA is granted a pension, the present value of the pension is transferred from the MLA Account to the Plan, from which monthly benefits are paid. During the year ended March 31, 2023, no pensions were granted (2022: no pensions were granted).

b) Investment and administration costs

	2023	2022
Investment management	$ **84.0**	$ 44.9
Benefit administration	**19.8**	19.8
Other professional services	**0.6**	0.6
Board secretariat	**0.4**	0.3
Board remuneration and expenses	**0.3**	0.3
Actuarial and audit	**0.1**	0.2
	$ 105.2	$ 66.1

Investment and administration costs include audit fees of $66 thousand (2022: $69 thousand) and actuary fees of $87 thousand (2022: $130 thousand).

BCI and Pension Corporation are related parties to the Plan. The Board appoints members to each of the respective corporate boards. BCI and Pension Corporation are participating employers in the Plan. Investment management and benefit administration costs are approved by the Board.

Investment management costs represent amounts charged to recover internal and external management costs incurred by BCI, except those external management fees related to investments managed by an underlying external manager, where management fees are embedded in the net assets of the respective investment. Underlying external investment management fees of $72 million (2022: $80 million) were netted against investment income.

Benefit administration costs represent amounts charged to recover benefit administration costs incurred by Pension Corporation. These transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties.

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

12. RELATED PARTY TRANSACTIONS (CONTINUED)

b) Investment and administration costs (continued)

Board secretariat costs represent amounts directly incurred by the Board for costs associated with supporting the Board.

Other professional services costs include insurance and legal fees incurred directly by the Plan.

Board remuneration and expenses represent amounts for trustee compensation and direct expenses.

13. ACCOUNT TRANSFERS

	2023		2022	
	Basic account	Inflation adjustment account	Basic account	Inflation adjustment account
Indexing supplements	$ 822	$ (822)	$ 321	$ (321)
Indexing deferred pensions	10	(10)	7	(7)
	$ 832	$ (832)	$ 328	$ (328)

The IAA is a separate account maintained for funding current and future inflation adjustments. The IAA is funded through a portion of ongoing contributions from employers and members, investment income earned and excess investment return earned in the Basic Account.

Inflation adjusted pension payments are made from the Basic Account. Each year, if members' pension payments are adjusted for the current inflation adjustment, monies are transferred from the IAA to the Basic Account to cover the present value of all future payments arising from the current inflation adjustment. The Board annually considers all relevant factors and its IAA funding policy to determine if an inflation adjustment will be granted on pensions in pay and the amount of the inflation adjustment, if any. As at January 1, 2023, retired members received an inflation adjustment of 6.5% (2022: 2.7%) and indexing supplements were transferred.

When a deferred pension commences, the present value of the inflation adjustment during the deferral period is transferred from the IAA to the Basic Account. Approximately $163 million (2022: $110 million) of the current IAA balance is for inflation adjustments already granted for deferred pensions but not yet transferred to the Basic Account.

Excess investment return is based on investment income earned on those assets in the Basic Account required for pensions currently being paid: approximately $13.3 billion of assets for 2023 (2022: $12.4 billion). The excess investment return rate is determined by taking the difference between the actual five-year annualized market rate of return (7.5%) and the rate of return used by the Plan actuary (6.00%) in valuing the Plan's liabilities. The calculated excess investment return rate for 2023 was 1.50% (2022: 2.70%), resulting in an excess investment return amount of $200 million (2022: $336 million).

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

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13. ACCOUNT TRANSFERS (CONTINUED)

Plan rules allow the positive excess investment return transfer to occur at the discretion of the Board. The Board did not elect to transfer this excess investment return in the Basic Account to the IAA.

Should the excess investment return in any year not be transferred to the IAA or the RSA, it will be carried forward cumulatively with interest and be available for transfer to the IAA at the discretion of the Board, in the future. If there is a positive balance at the valuation date and there is a valuation surplus, the funding policy calls for this amount to be transferred to the RSA. If the balance is ever negative, it will be offset against future positive excess investment returns before transfers to the IAA or RSA will recommence. The excess investment interest is an amount determined by applying the five-year annualized market rate of return to the fiscal year opening balance. As at the 2020 Valuation the accumulated excess investment return was $729 million ($800 million including interest), while the transfer to the RSA was $1,135 million, therefore the accumulated excess investment return balance as at March 31, 2020 is deemed to have been reduced to $0 per the funding policy requirements and the balance transferred to the RSA.

Excess investment return		2023		2022
Cumulative excess investment return, beginning of year	$	**832**	$	1,256
Transfer to RSA of 2020 valuation year balance plus interest		-		(800)
Interest applied to beginning of year amount		**63**		40
Excess investment return		**200**		336
Cumulative excess investment return, end of year	$	**1,095**	$	**832**

14. COMMITMENTS

The Plan participates in private equity, international real estate, mortgages, and infrastructure and renewable resource pools. As at March 31, 2023, the Plan's share of commitments for future investment contracts in these pools over the next several years is approximately $8,605 million (2022: $7,468 million).

PUBLIC SERVICE PENSION PLAN

Notes to the financial statements for the year ended March 31, 2023

($ millions except as otherwise noted)

15. CAPITAL DISCLOSURES

Capital is defined as the funded status (surplus or deficit) of the Plan as determined by the actuary. The Plan's objective for managing capital is to ensure that the assets of the Plan are invested prudently and effectively, and with contributions adequate to meet the obligations of the Plan. Management of the Plan's funded status is achieved by adjusting member and employer contribution rates; through implementation of the SIPP, which affects the earnings of the Plan; and, in the case of the IAA, by changing the benefits paid. The Board has a funding policy that outlines the principles that provide guidance in managing this process. The investment performance of the Plan's assets is reviewed by the Board on a regular basis and compared to relevant industry benchmarks. Benefit entitlement is based on the provisions of the Agreement and the pension plan rules. Funding deficits must be funded over a period not to exceed 15 years.

An actuarial valuation must be prepared at least once every three years. The latest actuarial valuation for funding purposes was prepared as at March 31, 2020, and has two components, the Basic Account non-indexed benefits and, by considering the valuation of the entire Plan, the non-guaranteed IAA benefits. The next full actuarial valuation will be carried out as at March 31, 2023, with the results included in the March 31, 2024 financial statements.

The Act and the Board's funding policy require that contribution rates comply with the going-concern requirements of the PBSA.

16. PRIOR YEAR COMPARATIVES

The prior year comparatives have been reclassified to conform to the current year presentation.

Appendix

Employer list

A

Alliance Facility Solutions Inc.
Architectural Institute of British Columbia
Association of British Columbia Forest Professionals
Association of Doctors of BC

B

BC Family Maintenance Agency Ltd.
BC Ferry and Marine Workers' Union
BC General Employees' Union
BC Infrastructure Benefits Inc.
BC Pavilion Corporation
BC Public Service Agency
British Columbia Assessment Authority
British Columbia Centre for Disease Control (an operation of Provincial Health Services Authority)
British Columbia College of Social Workers
British Columbia Energy Regulator
British Columbia Excluded Employees' Association
British Columbia Ferry Services Inc.
British Columbia Financial Services Authority
British Columbia Housing Management Commission
British Columbia Innovation Council
British Columbia Institute of Technology
British Columbia Investment Management Corporation
British Columbia Mental Health Society (Riverview Hospital is an operation of Provincial Health Services Authority)
British Columbia Milk Marketing Board
British Columbia Pension Corporation
British Columbia Rapid Transit Company Ltd.
British Columbia Safety Authority
British Columbia Securities Commission
British Columbia Transit Authority
British Columbia Treaty Commission
British Columbia Utilities Commission
Broadmead Care Society 84
Brookfield GIS Workplace Solutions Inc.
Building Officials' Association of British Columbia

C

Canada/British Columbia Business Services Society
Canadian Office and Professional Employees' Union, Local 378
Canadian Road Builders Inc. dba Lafrentz Road Marking Division
Coast Mountain Bus Company Ltd.
Cobra Electric Regional Services Ltd.
College of Applied Biology
College of Physicians and Surgeons of British Columbia
Columbia Basin Trust
Columbia Power Corporation
Community Living British Columbia
Creative BC Society

E

E-Comm Emergency Communications for British Columbia Inc.
Elections British Columbia
Emergency Health Services Commission
ESIT Advanced Solutions Inc.

F

First Peoples' Heritage, Language and Culture Council
Forensic Psychiatric Services Commission
Forest Enhancement Society of BC
Forestry Innovation Investment Ltd.
Fraser Health Authority
Fraser Valley Aboriginal Children and Family Services Society
Freshwater Fisheries Society of BC

H

Habitat Conservation Trust Foundation

I

InBC Investment Corporation
Infrastructure BC Inc.
Insurance Corporation of British Columbia
Interior Health Authority
Islands Trust Council
ISM Information Systems Management Canada Corporation

J

Justice Development Commission

K

Kw’umut Lelum Child and Family Services Society

L

Land Title and Survey Authority of British Columbia
Legislative Assembly of British Columbia
Liquor Distribution Branch
Lu’ma Native Housing Society

M

MAXIMUS BC Health Benefits Operations Inc.
MAXIMUS BC Health Inc.
MAXIMUS Canada BC Operations Inc.
MAXIMUS Canada Services (BC) Inc.

N

Nanaimo Port Authority
NIȽ TU,O Child and Family Services Society
Northern Development Initiative Trust
Northern Health Authority
NTT DATA BCU, Inc.

P

PBC Solutions Limited
Professional Employees Association
Protrans BC Operations Ltd.
Providence Health Care Society
Provincial Health Services Authority
Public Service Pension Plan

R

Royal BC Museum

S

Scw’exmx Child and Family Services Society
Secwépemc Child and Family Services
SkilledTradesBC
South Coast British Columbia Transportation Authority
Southern Interior Development Initiative Trust

T

TELUS Employer Solutions Inc.
Thompson Health Region
TransLink Security Management Ltd.
Transportation Investment Corporation

V

Vancouver Aboriginal Child and Family Services Society
Vancouver Coastal Health Authority
Vancouver Island Health Authority

W

WaterBridge Equipment Inc.
WaterBridge Ferries Inc.
West Coast Express Ltd.
Western Pacific Marine Ltd.
Workers' Compensation Appeal Tribunal

Y

Yellowhead Road & Bridge (Nicola) Ltd.

Public Service Pension Plan™

This is a publication of the Public Service Pension Board of Trustees. If you have any questions about the information contained in this report, please contact:

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COVER PHOTO
Kashmiro Cheema,
retired plan member

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