

**InBC Investment Corp.**

**2024/25 – 2026/27  
Service Plan**

**February 2024**



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## Board Chair's Accountability Statement



The 2024/25 – 2026/27 InBC Investment Corp. (InBC) Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. This plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of this plan and is responsible for the validity and reliability of the information presented.

All significant assumptions, policy decisions, events and identified risks, as of January 2024 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, InBC's mandate and goals, and focus on aspects critical to the organization's performance. The targets

in this plan have been determined based on an assessment of InBC's operating environment, forecast conditions, risk assessment and past performance.

Signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'Christine Bergeron'.

Christine Bergeron  
Board Chair, InBC Investment Corp.  
February 12, 2024

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## Strategic Direction

In 2024/25, public sector organizations will remain focused on providing the services and infrastructure that people depend on to build a good life. Public sector organizations will continue to support Government in delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean, and fair economy. Public sector organizations will also continue to work closely with Government as it works collaboratively with Indigenous Peoples to implement the Action Plan for the Declaration on the Rights of Indigenous Peoples Act and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25 service plan outlines how InBC Investment Corp. (InBC) will support the government's priorities and selected action items identified in the most recent [InBC Mandate Letter](#).

## Purpose of the Organization and Alignment with Government Priorities

InBC is a strategic investment fund with \$500 million to invest in companies and venture capital funds to generate financial returns and achieve social and environmental benefits for the people of British Columbia. InBC provides a source of local and long-term capital for small and medium-sized businesses, placing and managing investments that support businesses and sectors advancing a prosperous, sustainable, and inclusive economy in British Columbia.

The [InBC Investment Corp. Act](#) (InBC Act) establishes the purpose and governance structure of the corporation, as well as specifying the independence of investment decision-making by establishing the Chief Investment Officer (CIO) with the sole statutory authority to make investment decisions. The InBC Act established InBC for the purpose of making investments that achieve both a financial return, and support the social, economic, and environmental policy objectives of the government.<sup>1</sup> The Government of British Columbia appoints a Board of Directors to govern InBC ensuring prudent stewardship and alignment with policy direction from the government. The board is also responsible for overseeing the risk management of InBC.

The provincial government and the board have approved an Investment Policy Statement (IPS) for InBC.<sup>2</sup> The IPS sets the guiding framework for the investment program of InBC and is reviewed on an annual basis.

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<sup>1</sup> InBC Investment Corp Act. Section 4(1) Purposes of Corporation.

<sup>2</sup> InBC's IPS is a key accountability document for InBC which establishes the parameters for investing and includes: impact objectives, risk tolerances, constraints and reporting requirements. The complete IPS can be found in the [corporate reports](#) section of the InBC website.

InBC has defined four [investment impact objectives](#)<sup>3</sup> in the IPS to support a more prosperous, inclusive, and sustainable economy. These impact objectives are:

- 1) Driving climate action: investing in solutions towards net-zero emissions and a climate resilient economy;
- 2) Advancing Reconciliation: investing in solutions that strengthen partnerships and generate economic opportunities for Indigenous Peoples;
- 3) Elevating inclusive communities: investing in solutions to improve outcomes for under-represented people and communities; and
- 4) Innovating for the future: investing in innovations and industries for future economic growth.

Any investment InBC makes is individually assessed according to at least one of these impact objectives and is individually assessed according to its: ability to provide a return on investment and generate a profit; strength of connection to B.C.; and the investment's risk profile, including environmental, social, and governance (ESG)<sup>4</sup> risks.

As a Crown corporation of the Province of B.C., a central element of InBC's investment objectives is the demonstrated connection to British Columbia of the companies and venture capital funds InBC invests in. The criteria used to demonstrate a strong connection to British Columbia include business activity in the province, such as the provision of jobs, revenues, payroll, assets, and research and development. Other indicators include head office location and where executives are based.

## Operating Environment

British Columbia is a vibrant hub for innovation and entrepreneurship, and the availability of capital plays a crucial role in supporting the growth of startups and high-potential ventures. While British Columbia and Canada have a strong business landscape, Canadian companies often face a gap in capital, especially at the startup phase and later stages of the business growth continuum.<sup>5</sup>

InBC recognizes that there are many entrepreneurs throughout the province with growing businesses who have the potential to contribute positively to social and environmental initiatives while generating financial returns. Significant opportunity exists through investment

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<sup>3</sup> The measurable economic, social and environmental returns, in addition to the financial returns resulting from an investment.

<sup>4</sup> ESG is a framework for integrating and assessing environmentally and socially conscious factors in opportunities - environmental refers to stewardship of the natural environment; social refers to people and relationships; and governance refers to responsible management. InBC is following the lead of the provincial government and will align with their ESG standards as they evolve: <https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/government-finances/debt-management/bc-esg-report.pdf>.

<sup>5</sup> [Access to Capital for Canadian Growth-oriented, medium-sized firms](#). Innovation Science and Economic Development Canada.

to support the development of businesses and sectors that advance a prosperous, sustainable, and inclusive economy.

InBC continues to monitor and respond to external factors that impact entrepreneurs and the innovation landscape in British Columbia. Ongoing economic uncertainty caused by the lingering economic impacts of the COVID-19 pandemic, geopolitical conflicts and associated unpredictability, and rising interest rates<sup>6</sup> have had a significant impact on entrepreneurs and their access to capital. As the Canadian economy adjusted to consecutive interest rate hikes of up to five percent since March 2022<sup>7</sup>, higher borrowing costs impacted both investors and entrepreneurs' decision making in the market, resulting in lower company valuations and longer investment transaction closing times.<sup>8</sup>

Local sources of capital help anchor growth-oriented companies in British Columbia, ensuring the retention of valuable intellectual property and the jobs the companies create while also increasing the potential to generate financial benefits regionally. While the proportion of capital coming from local, Canadian investors to B.C. companies has increased since 2021 (to 32% in 2023), the majority of investments in B.C. companies continue to come from outside of Canada, from investors in the United States (48%) and the remainder from other countries (20%).<sup>9</sup> This, coupled with the uncertain economic environment, has made it more difficult for entrepreneurs to secure capital highlighting the need for additional sources of patient capital and other financing solutions in the province.

InBC started making investments in late 2022, and by the end of December 2023 \$65 million of capital has been committed to five funds and three direct investments. In 2024/25, InBC plans to commit a further \$125 million in alignment with the Investment Policy Statement to support British Columbia's innovative and impactful economy and to encourage businesses to grow and stay in British Columbia.

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<sup>6</sup> [World Economic Situation and Prospects Report May 2023](#). United Nations.

<sup>7</sup> [A timeline of Bank of Canada rate hikes](#). BNN Bloomberg.

<sup>8</sup> [Canadian Venture Capital Market Overview H1 2023](#). Canadian Venture Capital Private Equity Association.

<sup>9</sup> [YTD December 2023 Dealroom Capital Compass Intelligence](#). Data based on deals where investor location was disclosed.

## Performance Planning

### **Goal 1: Invest capital to generate both long-term financial returns and non-financial impacts**

Financial capital is the key to business growth in British Columbia and its presence attracts outside investment and talent. InBC commits capital for businesses and venture funds that align with its investment criteria and provide measurable contributions to social, economic and environmental policy objectives. This goal reflects the primary purpose of InBC and aligns with the approved IPS.

#### **Objective 1.1: Invest in opportunities aligned with InBC's IPS.**

This objective reflects the mandate of InBC to provide a local source of patient capital<sup>10</sup> to companies and funds contributing to the B.C. economy under the parameters established by InBC's approved IPS. The IPS is a foundational accountability mechanism through which the Board exercises oversight of the Fund's investments and provides direction to the CIO regarding investment asset allocations, investment parameters and risk tolerances. All investments must align with the parameters established by the IPS.

#### **Key Strategies**

- Support portfolio companies and funds to implement an ESG framework by sharing knowledge and connecting to resources.
- Implement a thorough and inclusive process to assess investment opportunities in both companies and venture funds that align with InBC's IPS.
- Ensure portfolio strategy aligns investments across financial return and impact objectives, sectors and regions as stated in the IPS.
- Ongoing review of the investment process by the Board to ensure the CIO is making investments in accordance with the terms defined by the IPS.

#### **Discussion**

InBC started its investment program with venture funds in 2022 and additionally began investing directly in companies in 2023. InBC has established an investment review process to confirm that every investment made is aligned with at least one impact objective, with consideration given to its connection to British Columbia, ESG risks, including diversity, equity, and inclusion practices (DEI), and ability to generate financial returns. InBC anticipates that its cumulative capital commitment of \$105M in 2023/24 will grow to an anticipated cumulative capital commitment of \$365M by 2025/26. This may be adjusted to ensure continued alignment with InBC's investment objectives and changing external market conditions. InBC will be tracking progress against this objective on a quarterly basis and will publish details regarding new investments on its website. As well, as the investment program grows and as

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<sup>10</sup> Patient capital is investments or money raised with lenient or longer repayment terms.



investments begin to yield returns, InBC will publish financial returns on its investment portfolio.

## Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
1.1a Cumulative committed capital to venture funds and companies.	\$35M <sup>1</sup>	\$105M	\$230M	\$365M	\$435M

Data source: InBC Investment Corp.

<sup>1</sup> As of the fiscal year-ended March 31, 2023, InBC has made investments in four venture capital funds aligned with its impact objectives, committing a total of \$35 million in capital to support the scale up of companies across different stages of growth.

## Discussion

This performance measure tracks InBC's cumulative capital commitments for both direct investments in businesses and funds.<sup>11</sup> This measure indicates the cumulative amount of capital committed by InBC for deployment in companies and venture funds that are strongly connected to B.C. The targets for this data are based on InBC's investment plan and are subject to quarterly revision and update based on actual performance. Actual results may vary as they are dependent on market conditions and the availability of investments that match InBC's investment objectives. InBC will source the data for this performance measure through internal investment and accounting systems.

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
1.1b Annual percentage of investments that implement/have an ESG and/or impact management framework. <sup>1</sup>	75% <sup>2</sup>	50%	60%	70%	75%

Data source: InBC Investment Corp.

<sup>1</sup> Examples of ESG and impact management frameworks include: [ILPA Reporting](#), [UN Principles for Responsible Investing](#), [UN Sustainable Development Goals and Targets](#), [UN Declaration on the Rights of Indigenous Peoples](#), [Global Impact Investing Network \(GIIN\)](#), [Reconciliation and Responsible Investment Initiative](#) and [International Finance Corporation's \(IFC\) Operating Principles for Impact Management](#).

<sup>2</sup> In 2022/23 InBC invested in four funds. Three of the four funds have an impact framework in place. As InBC starts to directly invest in companies there will be greater variability in the number of entities that have ESG or impact management frameworks in place.

<sup>11</sup> These investments are made in accordance with the *InBC Investment Corp Act* and specifically exclude any legacy assets from the BC Immigrant Investment Fund and the BC Renaissance Capital Fund. Legacy assets are described in Appendix A: Subsidiaries and Operating Segments.

## Discussion

This performance measure will track InBC's success in investing in businesses and funds that are committed to impact. InBC uses a standardized disclosure methodology based on the Institutional Limited Partners Association<sup>12</sup> standards to gather information on ESG metrics, including DEI. The target numbers for this performance measure are based on the priority InBC places on assessing investments within an ESG framework. However, it also recognizes the need to accommodate businesses that are at different stages and capacities to implement impact measurement frameworks within their operations. The data for this performance measure will be sourced through internal investment tracking systems.

## Goal 2: Develop connections to strengthen and enhance InBC's impact

Key to InBC's investment approach is to form partnerships that enable InBC to extend its reach and impact. Establishing partnerships with organizations across regions, sectors and those focused on under-represented communities will help identify and create a strong set of diverse and quality investment opportunities and support the effective deployment of capital. These partnerships will contribute to increasing the amount of capital invested in impact driven companies while attracting more investors and growing the number of early-stage companies that receive local capital. This approach will also increase awareness of the importance of investing in growing the economy.

### Objective 2.1: Establish partnerships to drive investment opportunities and to maximize investment efforts.

To support the investment strategy's deployment, InBC is developing a network of partnerships with stakeholders across geographic regions, sectors, and under-represented groups.

#### Key Strategies

- Establish partnerships that align with InBC's impact objectives and work with partners to identify quality investment opportunities to enable InBC to deploy capital across sectors, regions, and under-represented groups.
- Collaborate with local, national, and international capital providers to grow the capital resources available to B.C. businesses and to support the identification of investment opportunities.
- Collaborate with partners to raise awareness of the importance of impact investing for both investors and entrepreneurs and support the early activation of ESG frameworks.

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<sup>12</sup> With nearly 600 member institutions representing over two trillion USD of private equity assets under management, the Institutional Limited Partners Association (ILPA) is a global organization dedicated exclusively to advancing the interests of Limited Partners and their beneficiaries.

## Discussion

InBC seeks partners aligned with its impact objectives. Building partnerships with organizations across different regions, sectors and communities will help InBC extend its reach. Through these partnerships, InBC will identify and create a pathway for quality and diverse investment opportunities and support the effective deployment of capital. Partnerships also enable the unlocking of additional capital and the diversification of investment decision making. Through its work and presence as an investor, InBC aims to increase the diversity of businesses and entrepreneurs being funded and the support they receive. Furthermore, collaboration with organizations working with equity-seeking groups and under-represented groups will also contribute to the development of diverse investment opportunities through proactive outreach. As well, InBC anticipates that collaborating with other capital providers will also attract additional capital to B.C. companies.

## Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
2.1 Cumulative number of partnerships <sup>1</sup> supporting InBC's investment objectives. <sup>2</sup>	12 <sup>3</sup>	16	18	20	22

Data source: InBC Investment Corp.

<sup>1</sup> Partnerships are defined as a signed agreement (including memorandum of understanding, sponsorship agreements, terms of reference, membership agreements, etc.) between InBC and the partner organization for project(s) and activities that align with InBC's mandate and impact objectives. Partner organizations could be entrepreneur support organizations (e.g. economic development organizations, accelerators, universities), industry associations and business groups, other capital providers (e.g. granting agencies, venture funds, etc.), and other economic development corporations, agencies, and trusts.

<sup>2</sup> Includes: diverse sectors and geographies, and equity-seeking groups to support the development of diverse investment opportunities.

<sup>3</sup> In 2022/23 reporting period InBC partnered with organizations such as the Forum, Black Entrepreneurs and Businesses Society of Canada, Bears' Lair, New Power Labs, BC Net Zero Innovation Network, Social Finance Forum, Innovate BC, PacifiCan, Digital Supercluster, New Ventures BC, Center for Innovation and Clean Energy, Canadian Venture Capital Association, Impact United, 50-30 Challenge, Propel Impact.

## Discussion

This performance measure will track InBC's success in establishing diverse partnerships across British Columbia, across sectors, equity-seeking groups and under-represented communities. Strategically forming partnerships that consider InBC's investment objectives will extend InBC's reach and contribute to the ongoing development of robust and diverse investment opportunities. InBC has established this performance measure to align with its strategic priorities. Targets have been set, based on work in progress to establish successful partnerships across the regions, in specific sectors, and with under-represented groups. The data for this performance measure will be sourced through internal records.

## **Goal 3: To be an accountable, high performing, leading organization**

Strong governance and accountability frameworks, with clear lines of reporting through to the Minister of Jobs, Economic Development and Innovation (the Ministry), hold all levels of InBC accountable in meeting its corporate objectives and support InBC in identifying short, medium and long-term actions required to successfully deliver those objectives. InBC's unique and complex mandate presents an opportunity for InBC to demonstrate how its investment objectives can be implemented and tracked effectively. A key part of this is developing and activating operational policies across the organization and sharing strategies and outcomes across the investment sector to engage more organizations to do the same.

### **Objective 3.1: InBC is an effective, respected, and valuable contributor to the investment landscape in British Columbia.**

This objective reflects the mandate of the Crown to provide a local source of capital and to be an effective, respected, and valuable component of the investment landscape in British Columbia.

#### **Key Strategies**

- Effective risk management, including the identification, assessment, mitigation and response to significant risks.
- Participate in events, discussions, and publications to promote impact investing and impact measurement.
- Actively engage with the venture capital community to share and collaborate on best practices.
- Robust governance strategies, including effective oversight by Board of Directors and conflict disclosure practices.
- Create and implement corporate commitments to DEI, sustainability, and reconciliation.
- Track and measure progress through an annual impact report.

#### **Discussion**

Strong governance and accountability frameworks, with clear lines of responsibility through to the Minister, hold all levels of InBC accountable for meeting its corporate objectives and support InBC in identifying the short, medium, and long-term actions required to successfully deliver those objectives. As well, in addition to comprehensive risk management and risk mitigation strategies, InBC has deployed robust conflict disclosure and conflict avoidance practises, including retaining an independent conduct advisor to provide advice to the Board and executive.

As part of the accountability framework for InBC, the [InBC Act](#) requires that the corporation submit annual reports to the Minister of Jobs, Economic Development and Innovation. InBC has submitted and published reports for the 2021/22 and 2022/23 fiscal years.

As a strategic investment fund with an impact focus, InBC is committed to ensuring our corporation embeds a DEI, sustainability, and reconciliation focus through our operational activities. InBC integrates diversity and inclusivity into its corporate culture by fostering a work environment that encourages and respects individual and cultural differences and is developing a reconciliation action plan.

InBC is in a unique position to demonstrate the value of investing with a triple bottom line lens and will work to continuously evolve its practices through shared learning opportunities and to showcase its progress to the innovation and investment community.

InBC has a proactive communications strategy regarding the activities of the Crown and regularly publishes activity updates on the corporate website. Over the duration of this service plan, InBC will continue to work with government to ensure alignment with InBC's and Government's shared goals.

### **Objective 3.2: Recruit and retain qualified leadership and investment professionals capable of delivering InBC's investment program.**

This objective reflects the need for InBC to employ qualified, professional staff with the necessary and diverse skills and experience to place and manage investments.

#### **Key Strategies**

- Utilize inclusive hiring practices to ensure employees reflect the diversity of our province.
- Develop an inclusive work culture with ongoing development opportunities for team members.
- Ongoing participation in the 50/30 Challenge, an initiative of the Federal government to support diversity, equity and inclusion.
- As necessary, review InBC's competitiveness in attracting qualified staff.

#### **Discussion**

This objective is related to the mandate of InBC which necessitates the need for employing qualified staff including professional investment staff. The Chief Investment Officer and their team are key to the placement of individual investments. Recruiting and retaining staff are essential to achieving the overall investment objectives of InBC.

## Performance Measures

Performance Measure	2022/23 Baseline	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
3.2a Cumulative number of investment staff including a Chief Investment Officer <sup>1</sup>	5	7	7	7	7

Data source: InBC Investment Corp.

<sup>1</sup>Including the Chief Investment Officer, InBC intends to employ 7 professional investment staff members.

## Discussion

This performance measure tracks InBC's success in recruiting investment staff. InBC has established this performance measure to align with its strategic priorities of employing qualified staff, which is a key component of meeting InBC's mandate. Targets have been set based on InBC's human resource plans. These targets are designed to meet human resource requirements, including staffing levels and necessary qualifications and skills. InBC does perceive a role in developing talent to increase participation by diverse individuals in the investment sector. The data for this performance measure will be sourced through internal records.

# Financial Plan

## Financial Summary

\$000s	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
<b>Revenues</b>				
Operating Contribution from the Province of B.C.	6,968	12,327	16,357	20,566
Interest	377	250	250	250
Legacy Venture Investment <sup>1</sup>	3,632			
<b>Total Revenue</b>	<b>10,977</b>	<b>12,577</b>	<b>16,607</b>	<b>20,816</b>
<b>Expenses</b>				
Salaries and Benefits	3,321	3,944	4,267	4,473
Operations and Administration	1,542	1,775	1,799	1,799
Debt Service	2,105	6,608	10,291	14,294
<b>Total Expenses</b>	<b>6,968</b>	<b>12,327</b>	<b>16,357</b>	<b>20,566</b>
<b>Annual Surplus (Deficit)</b>	<b>4,009</b>	<b>250</b>	<b>250</b>	<b>250</b>
<b>Total Debt<sup>2</sup></b>	<b>77,400</b>	<b>170,600</b>	<b>284,100</b>	<b>347,600</b>
<b>Accumulated Surplus (Deficit)</b>	<b>70,181</b>	<b>70,431</b>	<b>70,681</b>	<b>70,931</b>

Note: The above financial information was prepared based on current Public Sector Accounting Standards in Canada.

<sup>1</sup> InBC does not include revenue from venture capital investments when forecasting due to the variable and unpredictable nature of the investments and associated distributions. Venture capital revenue is reported as it is realized.

<sup>2</sup> Total Debt reflects the average balance of debt over the year from two loans from the Ministry of Finance.

## Key Forecast Assumptions, Risks and Sensitivities

The above financial information and forecasts are prepared based on Public Sector Accounting Standards in Canada. This Service Plan incorporates “forward-looking statements” including information related to future anticipated investment performance and related revenues, along with expected expense levels.

Actual results may differ materially from those in the forward-looking estimates. This is a result of various factors, some of which are beyond InBC’s control, including, but not limited to, the risks discussed under the Operating Environment section of this Service Plan. The review and interpretation of forecasts should take into consideration the following:

1. Venture investment revenue is reported as it is realized. Due to the uncertainty concerning the valuation of venture capital assets and the unpredictable timing of distributions from venture capital investment portfolios, venture capital investment revenue is not included in InBC’s budget.
2. The Ministry of Finance holds cash balances on deposit, from which interest revenue is derived. All available funds, other than those required to meet near-term commitments, will be invested in liquid financial instruments with the Ministry of Finance’s Central Deposit Program (CDP), earning returns reflecting short-term, low-risk investments.
3. Operations costs (Salaries and Benefits plus Operations and Administration) may differ from the budgeted figures presented in the Financial Summary. InBC continues to develop its operating environment and as a result operations costs are subject to some uncertainty as changes in staffing composition and the associated operating supports are assessed. The budget for these expenditures is informed by assumptions regarding the timing and the nature of InBC’s investment operations. As InBC’s operating environment becomes more established, the actual expenses incurred for operations may differ from budgeted figures.
4. Total debt may differ from the budgeted figures presented in the Financial Summary. InBC’s debt balance is influenced by the timing and amount of venture capital calls and distributions, which are highly unpredictable. Debt may also be materially influenced by the timing and amount of InBC’s operating costs, and the timing and amount of its investments, both of which are subject to some uncertainty. The Financial Summary includes a budget for debt required to fund new investments made under the *InBC Investment Corp. Act*. Investment activities influence the three-year forecast for the debt, which is subject to a high degree of uncertainty due to availability of market opportunities.
5. Debt service costs may differ from the budgeted figures. The interest rate environment has been volatile, and looking forward, it is uncertain what path interest rates will take over the short and long term. The recent increase in interest rates has resulted in a higher cost of borrowing; however, InBC is managing the interest rate risk through a 5-year funding arrangement with the Province of B.C. InBC uses the 1-



year forward Canadian sovereign yield curve to inform its interest rate assumptions over a 10-year horizon; however, this information changes regularly based on market conditions.

## Management's Perspective on Financial Outlook

InBC is entering its second year of operations. Over the past two years, InBC has worked to develop its investment strategy and operating capacity to deliver an investment program designed to help promising companies grow, while generating both financial and non-financial returns that benefit all British Columbians.

InBC will begin the next year having committed and funded a significant amount of capital under its investment strategy. InBC currently finances its investments through an interest-bearing fiscal agency loan. As InBC advances its investment program and continues to invest in companies in the province, the interest-bearing debt will grow, and interest payments will increase. InBC is a strategic investment fund with a long investment horizon, and as such, it does not expect to realize significant returns from its investments in the near term. In the short-term, InBC manages this risk through a 5-year funding arrangement with the Province of B.C. where the Province will provide funding for InBC's operations and interest costs.

InBC's legacy venture capital portfolios are in different phases of their lifecycle. The BC Tech Fund (vintage 2016) continues to draw financing to meet its investment commitments. Earlier venture portfolio investments (vintage 2007–2011) are at or near maturity. An increase in the cost of capital caused by the higher interest rate environment has created headwinds for portfolio valuations and portfolio distributions, which may result in longer timelines before distributions from the legacy funds are realized. InBC does not include revenue or losses from venture capital investments when presenting its budget due to the variable and unpredictable nature of venture capital investments. The actual results may be significantly different from the budget as a result.

Interest revenues are forecast to be steady over the course of the three-year plan. Interest is generated from the cash held as a component of working capital, which is needed to meet short-term obligations.

InBC has a loan from the Ministry of Finance to make investments and fund operating requirements. Future debt servicing costs may change as the result of changes in market interest rates, the amount and timing of new financing needed to meet investment opportunities, and fund and operating costs. It is expected, that over the next ten years, up to \$500 million will be drawn from this fiscal agency loan and used to fund InBC's investments. The timing and amount of debt drawn and interest rate levels will have a significant impact on the future financial results of InBC.

## Appendix A: Subsidiaries and Operating Segments

### Active Subsidiaries

#### BC Renaissance Capital Fund

The BCRCF is wholly owned by InBC. The BCRCF is charged with managing legacy portfolio assets inherited by InBC Investment Corp. in 2020.

The BCRCF has venture capital investments in key technology sectors including information technology, digital media, clean technology, and life sciences. Investments are housed within two portfolios:

- BC Renaissance Capital Fund (Portfolio 1)
- BC Tech Fund (Portfolio 2)

Both Portfolio 1 and Portfolio 2 are now fully committed. Portfolio 1 investments are at or near maturity. BCRCF will continue to meet its capital commitments to Portfolio 2 but, the portfolio is no longer making new investments.

#### Board of Directors:

Jill Earthy - Chair

David Mortimer

#### Financial Summary

\$000s	2023/24 Forecast	2024/25 Budget	2025/26 Plan	2026/27 Plan
Total Revenue	3,632	0,000	0,000	0,000
Total Expenses	(17)	(0,000)	(0,000)	(0,000)
<b>Annual Surplus (Deficit)</b>	<b>3,615</b>	<b>0,000</b>	<b>0,000</b>	<b>0,000</b>

## Appendix B: Mandate Letter from the Minister Responsible



June 2, 2023

Christine Bergeron  
Board Chair  
InBC Investment Corp.  
909 – 925 West Georgia Street  
Vancouver, BC V6C 3L2

Dear Christine Bergeron:

On behalf of the Honourable David Eby, Premier, and the Executive Council, I would like to extend my thanks to you, your board members, and your organization's leadership for your dedication, expertise, and service to the people of British Columbia.

Public sector organizations—including Crowns, Health Authorities, and Post Secondary Institution Boards—support British Columbians by delivering vital public services and are accountable to the public through their responsible Minister. Your leadership in advancing and protecting the public interest strengthens trust in public institutions.

You are serving British Columbians at a time when people in our province continue to recover from and respond to the upheaval caused by the COVID-19 pandemic, an ongoing toxic drug crisis, and climate-related natural disasters, and while global inflation is driving up costs. Now more than ever, we need to focus on building a prosperous, low-carbon, sustainable economy, and a province where everyone can find a good home—in rural areas, in cities, and in Indigenous communities.

This mandate letter, which I am sending in my capacity as Minister responsible for InBC Investment Corp., sets out overarching principles relevant to the entire public sector and specific direction on priorities and expectations for your organization for the remainder of Government's term.

Government and public sector organizations must continue to advance results that people can see and feel in these key areas: strengthened health care, safer communities, attainable and secure housing, and a clean and fair economy that delivers affordability and prosperity.

In doing so, you will continue working towards lasting and meaningful Reconciliation by supporting opportunities for Indigenous Peoples to be full partners in the province we are building together, and delivering on specific commitments as outlined in the *Declaration on the Rights of Indigenous Peoples Act* action plan.

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As required by the *Climate Change Accountability Act*, please ensure your organization implements targets and strategies for minimizing greenhouse gas emissions and managing climate risk, including achieving carbon neutrality each year and aligning with the CleanBC target of a 50 percent reduction in public sector building emissions and a 40 percent reduction in public sector fleet emissions by 2030. Your organization is expected to work with Government to report out on these plans and activities as required by legislation.

Our province's history, identity, and strength are rooted in its diverse population, yet racialized and marginalized people face historic and present-day barriers that limit their full participation in their communities, workplaces, government, and their lives. The public sector has a moral and ethical responsibility to tackle systemic discrimination in all its forms—and every public sector organization has a role in this work. As part of this work, your organization is expected to adopt the Gender-Based Analysis Plus (GBA+) lens to ensure gender equity is reflected in your operations and programs.

British Columbians expect that public sector organizations operate in a responsible manner to deliver quality services equitably in all regions of the province. This requires strategic stewardship of planning, operations, and policies in the areas of financial, risk, and human resource management including information security and privacy protection.

The protection of government data and networks is a priority, especially where it concerns personal information of British Columbians. Public sector organizations must maintain up to date systems and effective cybersecurity practices, including maintaining current information management and cybersecurity policies, guidelines, and standards; evaluating your organization against industry standards; and maintaining appropriate security and privacy practices. The Office of the Chief Information Officer within the Ministry of Citizens Services is available to support and offer guidance to your organization in any of these areas.

Public sector organizations must also implement and maintain an effective fraud risk management strategy. The Office of the Comptroller General and the Risk Management Branch in the Ministry of Finance are available for consultation.

The Crown Agencies Secretariat (CAS) in the Ministry of Finance supports public sector organizations to operate effectively, in the public interest, and aligned with Government's strategic direction and priorities. Within CAS, the Crown Agencies and Board Resourcing Office (CABRO) will continue to support you and your board on recruitment, appointments, and professional development, as well ensuring Board composition and governance reflects the diversity of our province. CAS can support you in public sector governance best practices, policy, and planning.

In addition to continuing to make progress on your [2021 mandate letter](#), I expect you to ensure the important priorities and areas of focus listed in this letter are incorporated into the practices of your organization.

Each board member is asked to sign this letter to acknowledge this direction from Government to your organization. The signed letter is to be posted publicly on your website by summer 2023.

I look forward to continuing to work with you and your Board colleagues to meet the high standards set for us by all British Columbians.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brenda Bailey', written in a cursive style.

Brenda Bailey  
Minister

Date: June 2, 2023

pc: Honourable David Eby, KC  
Premier

Shannon Salter  
Deputy Minister to the Premier, Cabinet Secretary  
and Head of the BC Public Service

Heather Wood  
Deputy Minister and Secretary to Treasury Board  
Ministry of Finance

Mary Sue Maloughney  
Associate Deputy Minister, Crown Agencies Secretariat  
Ministry of Finance

Fazil Mihar  
Deputy Minister  
Ministry of Jobs, Economic Development, and Innovation

pc: Kevin Campbell  
Director  
InBC Investment Corp.

Iglika Ivanova  
Director  
InBC Investment Corp.

Carole James  
Director  
InBC Investment Corp.

Ingrid Leong  
Director  
InBC Investment Corp.

Glen Lougheed  
Director  
InBC Investment Corp.

Suzanne Trottier  
Director  
InBC Investment Corp.

Jill Earthy  
Chief Executive Officer  
InBC Investment Corp.

InBC Investment Corp.  
Page 5

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Christine Bergeron  
Chair, InBC Investment Corp.  
Date: 6/7/2023

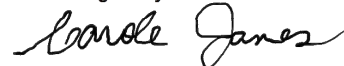
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Suzanne Trottier  
Director, InBC Investment Corp.  
Date: 6/7/2023

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Carole James  
Director, InBC Investment Corp  
Date: 6/8/2023

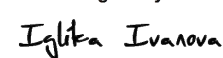
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Kevin Campbell  
Director, InBC Investment Corp  
Date: 6/13/2023

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Igluka Ivanova  
Director, InBC Investment Corp  
Date: 6/14/2023

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Glen Loughheed  
Director, InBC Investment Corp  
Date: 6/7/2023

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Ingrid Leong  
Director, InBC Investment Corp  
Date: 6/15/2023

DocuSigned by:



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Fazil Mihlar  
Director, InBC Investment Corp  
Date: 6/8/2023

DocuSigned by:



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Heather Wood  
Director, InBC Investment Corp  
Date: 6/8/2023