

**POOLED FUND ANNUALIZED RETURNS (C\$) - FIXED INCOME**

Periods Ending March 31, 2005

	15 Years	10 Years	5 Years	4 Years	3 Years	2 Years	1 Year
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**SHORT TERM**

Short Term Fund 1	5.3	4.1	3.3	2.8	2.6	2.5	2.2
Benchmark	5.1	3.9	3.3	2.8	2.5	2.5	2.2
Short Term Fund 2	5.7	4.4	3.6	3.0	2.7	2.7	2.3
Benchmark	5.4	4.2	3.5	2.9	2.6	2.6	2.2
Short Term Fund 3		2.7	(1.0)	(4.7)	(7.5)	(8.1)	(6.2)
Benchmark	4.1	2.1	(1.2)	(4.8)	(7.6)	(8.1)	(6.3)
Short Term Bond Fund			6.5	5.9	5.8	5.3	2.9
Benchmark	8.2	6.9	6.4	5.7	5.8	5.2	2.7

**MORTGAGES**

Fixed Term Mortgage Fund			8.1	7.7	8.1	7.3	4.8
Benchmark		8.1	7.6	7.0	7.1	6.6	4.0
Construction Mortgage Fund			6.5	5.8	5.9	5.9	5.4
Benchmark		6.0	5.4	4.7	4.4	4.3	3.2
Specialty Mortgage Fund			9.6	9.3	9.4	9.5	8.1
Benchmark			6.9	6.3	6.0	5.8	4.8

**BONDS**

Indexed Government Bond Fund		8.6	7.7	7.3	8.2	7.6	5.1
Benchmark	9.8	8.5	7.6	7.3	8.2	7.5	5.0
Pension Bond Fund		8.7	7.8	7.6	8.4	7.9	5.3
Benchmark	9.8	8.5	7.6	7.3	8.2	7.5	5.0
Long Term Bond Fund			9.1	9.6	11.6	11.2	9.5
Benchmark	11.7	10.8	8.9	9.3	11.2	10.8	9.0
Corporate High Grade Bond Fund		9.0	8.3	8.1	8.6	8.4	4.9
Benchmark	10.4	9.0	8.2	8.0	8.6	8.8	5.0
Corporate Investment Grade Bond Fund							
Benchmark	10.4	9.0	8.2	8.0	8.6	8.8	5.0

**SINKING FUNDS**

Hydro Sinking Fund		8.2	8.0	7.8	8.6	8.0	6.2
Benchmark		7.8	7.6	7.4	8.1	7.7	6.0
BCBC Sinking Fund			7.9	7.5	8.4	7.4	4.8
Benchmark			8.1	7.6	8.4	7.4	4.7
Direct Debt Sinking Fund <sup>1</sup>			8.0	7.8	8.7	8.2	6.0
Benchmark <sup>1</sup>			8.1	7.9	8.8	8.4	6.1

Note that Sinking Fund Benchmarks returns have not been finalized at this time.

NOTE: Benchmarks are presented in blue. Actual pooled fund returns, net of costs, are in black.

<sup>1</sup> The holdings in the Schools and Education Bond Funds were transferred to the BC Direct Bond Fund on May 31, 2002. Historical numbers have been restated to reflect the combined portfolios.

## POOLED FUND BENCHMARKS - FIXED INCOME

### SHORT TERM

**Short Term Fund 1 - Scotia Capital Inc. 30 day Treasury Bill Index**

An index published monthly by Scotia Capital which maintains an average term to maturity of 30 days. This index assumes a monthly buy and hold strategy of Government of Canada 30 day T-Bills.

**Short Term Fund 2 - Scotia Capital Inc. 91 Day Treasury Bill Index**

An index published monthly by Scotia Capital which maintains an average term to maturity of 91 days by selling and repurchasing a portfolio of Government of Canada T-Bills every two weeks.

**Short Term U.S. Fund 3 - Citigroup 30 Day Treasury Bill Index**

An index published monthly by Salomon Smith Barney that purchases 1 month T-bills at the beginning of each month. At the end of the month all proceeds are reinvested at the new 1 month T-Bill rate.

**Short Term Bonds - Scotia Capital Inc. Short Term Government Bond Index**

An index published monthly by Scotia Capital based on a theoretical portfolio of short term government bonds that have a minimum term to maturity of one year plus two days and a maximum term to maturity of five years plus two days and an average duration of approximately 2.5 years.

### MORTGAGES

**Fixed Term Mortgage Fund - Scotia Capital Inc. Short Term Bond Index + 100 Basis Points**

Return on the Fixed Term Mortgage Fund is compared to the Scotia Capital Short Term Bond Index plus 100 basis points. With an average term to maturity of 3.1 years, this index most closely approximates the expected term to maturity of the fund. The added 100 basis points reflect the illiquidity and higher credit risks of mortgages. The index includes bonds of the Government of Canada, provincial and municipal governments as well as AAA(minus) through BBB(minus) rated corporate issuers.

**Construction Mortgage Fund - Scotia Capital Inc. One-Year T-Bill Index + 100 Basis Points**

Return on the Construction Mortgage Fund is compared to the Scotia Capital One Year T-Bill Index plus 100 basis points. With an average term to maturity of one year, this index most closely approximates the expected term to maturity of the fund. The added 100 basis points reflect the illiquidity and higher credit risks of mortgages.

**Specialty Mortgage Fund - Scotia Capital Inc. One-Year T-Bill Index + 250 Basis Points**

Return on the Specialty Mortgage Fund is compared to the Scotia Capital One Year T-Bill Index plus 250 basis points. The index has an average term to maturity of one year. The added 250 basis points reflect the illiquidity and higher credit risks of mortgages.

### BONDS

**Indexed Government Bond Fund - Scotia Capital Inc. Universe Government Bond Index**

An index published monthly by Scotia Capital based on a theoretical portfolio of diversified Canadian, Provincial, and Municipal bonds with an average term of approximately 9.9 years and an average duration of approximately 6.0 years.

**Pension Bond Fund - Scotia Capital Inc. Universe Government Bond Index**

An index published monthly by Scotia Capital based on a theoretical portfolio of diversified Canadian, Provincial, and Municipal bonds with an average term of approximately 9.9 years and an average duration of approximately 6.0 years.

**Long Term Bond Fund - Scotia Capital Inc. Long Term Government Bond Index**

An index published monthly by Scotia Capital Markets based on a theoretical portfolio of diversified Canadian government bonds with an average term of approximately 23.0 years and an average duration of approximately 12.0 years.

**Corporate High Grade Bond Fund - Scotia Capital Inc. Universe Corporate Bond Index**

An index published monthly by Scotia Capital Markets based on a theoretical portfolio of BBB through AAA rated corporate bond issuers, which are weighted by amounts outstanding per issuer. The portfolio has an average duration of approximately 5.3 years.

**Corporate Investment Grade Bond Fund - Scotia Capital Inc. Universe Corporate Bond Index**

An index published monthly by Scotia Capital Markets based on a theoretical portfolio of BBB through AAA rated corporate bond issuers, which are weighted by amounts outstanding per issuer. The portfolio has an average duration of approximately 5.3 years.

### SINKING FUNDS

**Hydro Sinking Fund - HYINDEX**

A theoretical bond portfolio that would be held if instalment payments had been invested exclusively in the Fund's underlying bond issues. The HYINDEX assumes that whenever sinking fund instalments are received, the underlying bonds are repurchased.

**BCBC Sinking Fund - BUINDEX**

A theoretical portfolio that would be held if instalment payments had been invested exclusively in residuals of the Funds underlying debt issues. The BUINDEX assumes that whenever sinking fund instalments are received, residuals are purchased that match the term of the respective sinking fund liabilities.

**Direct Debt Sinking Fund - BCINDEX**

A theoretical portfolio that would be held if instalment payments had been invested exclusively in residuals of the Funds underlying debt issues. The BCINDEX assumes that whenever sinking fund instalments are received, residuals are purchased that match the term of the respective sinking fund liabilities.

**POOLED FUND ANNUALIZED RETURNS (C\$) - EQUITIES & REAL ESTATE**

Periods Ending March 31, 2005

	15 Years	10 Years	5 Years	4 Years	3 Years	2 Years	1 Year
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**CANADIAN STOCKS**

Indexed Canadian Equity Fund	9.0	10.7	2.6	8.3	9.3	25.4	14.5
Benchmark	9.1	10.2	2.0	7.9	8.9	25.3	13.9
Active Canadian Equity Fund		12.3	8.7	10.4	10.4	26.9	16.6
Benchmark	9.4	10.7	3.0	8.0	8.9	25.3	13.9
Enhanced Canadian Equity Fund						26.5	15.5
Benchmark	9.1	10.2	2.0	7.9	8.9	25.3	13.9

**U.S. STOCKS**

S&P 500 Equity Fund		9.3	(6.6)	(4.4)	(6.2)	9.0	(1.5)
Benchmark	11.2	9.2	(6.7)	(4.4)	(6.3)	8.9	(1.5)
U.S. Value Index Fund				(2.2)	(1.8)	17.2	0.9
Benchmark	11.2	9.3	(1.7)	(3.9)	(4.1)	13.9	0.8
Enhanced Indexed U.S. Equity Fund			(7.4)	(4.8)	(6.1)	9.2	(1.6)
Benchmark	11.4	9.3	(6.5)	(3.9)	(5.7)	9.7	(1.0)
Active U.S. Equity Fund		9.1	(5.9)	(3.0)	(5.7)	10.3	(1.5)
Benchmark - Large Cap	11.4	9.3	(6.5)	(3.9)	(5.7)	9.7	(1.0)
Benchmark - Small Cap	11.1	8.8	0.3	2.5	(1.4)	19.2	(2.7)

**DERIVATIVE FUNDS**

U.S. Equity Derivatives Fund						18.2	5.2
Benchmark	11.2	9.2	(6.7)	(4.4)	(6.3)	8.9	(1.5)

**INTERNATIONAL STOCKS**

Combined European			(4.9)	(1.1)	0.1	21.9	9.9
Active European Fund							8.9
Indexed European Fund							11.0
Benchmark	9.6	8.3	(3.4)	0.0	1.6	23.5	10.8
Combined EAFE			(4.1)	(0.0)	1.6	21.2	5.7
Active EAFE Fund							5.4
Indexed EAFE Fund							6.1
Benchmark	6.0	3.9	(4.6)	(0.5)	1.9	22.1	5.9
Asian Fund			(7.6)	1.7	4.1	22.1	(0.1)
Benchmark	1.5	(2.0)	(7.2)	(1.7)	3.1	18.9	(4.4)

**REAL ESTATE**

Realpool		10.0	8.5	8.4	8.7	10.1	12.8
Benchmark	6.1	6.0	6.3	6.3	6.4	5.5	6.3

**PRIVATE PLACEMENT**

Benchmark	14.1	15.7	13.0	17.0	16.3	39.4	14.3
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CPI - Canada	2.1	2.0	2.3	2.3	2.4	1.5	2.3
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Private Placement Composite Benchmark is the TSX + 200 to March 31, 2003, NB Small cap + 4.5% from April 1, 2003 to March 31, 2004 and the 10 year annualized NB Small Cap + 4.5% from April 1, 2004.

NOTE: Benchmarks are presented in blue. Actual pooled fund returns, net of costs, are in black.

## POOLED FUND BENCHMARKS - EQUITIES & REAL ESTATE

### CANADIAN STOCKS

#### **Indexed Canadian Fund - Toronto Stock Exchange Composite Index**

The S&P/TSX Index covers Canadian-incorporated companies listed on the Toronto Stock Exchange. The S&P/TSX is a capitalization-weighted index and returns are calculated on a total return basis with dividends reinvested.

#### **Active Canadian Fund - TSX Capped Index**

The TSX Capped Index covers Canadian-incorporated companies listed on the Toronto Stock Exchange. The TSX Capped Index limits the weight of a company in the TSX Index to 10 percent. The companies are capitalization-weighted and returns are calculated on a total return basis with dividends reinvested.

#### **Enhanced Canadian Fund - Toronto Stock Exchange Composite Index**

The S&P/TSX Index covers Canadian-incorporated companies listed on the Toronto Stock Exchange. The S&P/TSX is a capitalization-weighted index and returns are calculated on a total return basis with dividends reinvested.

### U.S. STOCKS

#### **S&P 500 Index Fund - Standard and Poor's (S&P) 500 index**

The S&P 500 Index covers 500 industrial, utility, transportation, and financial companies of the U.S. markets (mostly NYSE issue). The index represents about 75% of NYSE capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

#### **S&P 500 Value Fund - S&P/Barra Value Index**

The U.S. Value Index is the S&P/Barra Value Index which includes companies in the S&P 500 that have value characteristics such as low price-to-book ratios.

#### **Index Enhanced US Fund - RUSSELL 1000 Index**

The Index Enhanced US Fund excludes stocks within each economic sector of the Russell 1000 that are judged to be overvalued. The Russell 1000 Total-Return Index measures the performance of the largest U.S. companies in the Russell 3000 Index.

#### **Active US Fund - RUSSELL 1000 Index and RUSSELL 2000 Index**

The Russell 1000 Index and the Russell 2000 Index are total-return indices which include the largest 1000 (based on market capitalizations) and the smallest 2000 (based on market capitalizations) of the 3000 U.S. companies which make up the Russell 3000 Index.

### DERIVATIVE FUNDS

#### **U.S. Derivatives Fund - Standard and Poor's (S&P) 500 index**

The S&P 500 Index covers 500 industrial, utility, transportation, and financial companies of the U.S. markets (mostly NYSE issue). The index represents about 75% of NYSE capitalization and 30% of NYSE issues. It is a capitalization-weighted index calculated on a total return basis with dividends reinvested.

### INTERNATIONAL STOCKS

#### **European Fund - Morgan Stanley Capital International (MSCI) Europe Net Index**

The MSCI Europe Net Index is a total return index that includes dividends net of withholding taxes. It is comprised of approximately 550 securities listed on the exchanges of 16 European countries.

#### **EAFE Fund - MSCI Europe, Australasia Far East (EAFE) Net Index**

The MSCI EAFE Net Index is a total return index that includes dividends net of withholding taxes. It is comprised of approximately 1100 securities from 22 countries in Europe, Australasia, and the Far East.

#### **Asian Fund - MSCI Pacific Net Index**

The MSCI Pacific Net Index is a total return index that includes dividends net of withholding taxes. It is comprised of approximately 552 securities listed on the exchanges of 5 Pacific Rim countries.

### REAL ESTATE

#### **Realpool - CPI + 400 Basis Points**

Return on the Realpool Investment Fund is compared to the Canadian Consumer Price Index plus 400 basis points.

### PRIVATE PLACEMENT

#### **Private Placement - Nesbitt Burns Small Cap Index + 450 Basis Points**

Return on the Private Placement Investments is compared to the Nesbitt Burns Small Cap Index + 450 .