

# Public Pensions & Tobacco

## British Columbia Investment Corporation investments in and revenues from global tobacco sales, 2010

Annual reports provided by the British Columbia Investment Management Corporation (BCIMC) show that, as of March 31, 2010, its investments in tobacco companies were valued at more than \$300 million.

Based on the most recent dividend payments declared by each of those companies, BCIMC revenues from its part-ownership in tobacco companies in 2010 were in the order of \$15 million. Only a small fraction of those earnings would have been derived from the sale of tobacco products in British Columbia, and more than \$5 million were the result of the sale of tobacco products in developing countries.

**TABLE 1: BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
TOBACCO INDUSTRY HOLDINGS, MARCH 31, 2010**

Company	Number of shares held by BCIMC – March 31 2010	Declared value of shares at March 31 2010 (\$CDN)	Declared dividend for 2010	Share of profits from developing countries	Estimated BCIMC revenues from Dividends (\$CDN)
<b>U.S. Equities</b>					
Altria	1,695,718	35,302,417.10	1.52 USD	0%	2,560,534.18
Lorillard	159,744	12,194,017	4.50 USD	0%	715,653.12
Reynolds American Inc	127,188	6,965,502.84	1.96 USD	0%	248,016.60
<b>Total U.S. Tobacco Equities</b>		<b>54,461,936.94</b>			<b>3,524,203.90</b>
<b>International Equities</b>					
British American Tobacco (Malaysia) Bhd	581,800	7,987,218.11	.236 MYR	100%	46,544.00
British American Tobacco p.l.c.	1,879,790	65,747,094.74	2.09 USD	66%	3,909,963.20
I.T.C. Limited	3,221,814	19,159,285.89	20 INR	100%	1,417,598.16
KT&G (Korea Tobacco & Ginseng)	27,020	1,516,693.29	2800 KPW	*	67,009.60
Imperial Tobacco Group	1,406,212	43,498,798.74	84.3 GBP	*	1,842,137.72
Japan Tobacco Inc.	7,609	28,750,635.82	5800 JPY	*	541,075.99
Philip Morris International	1,427,642	75,549,284.21	2.56 USD	36%	3,640,487.10
Swedish Match AB	218,824	5,324,265.22	4.75 SEK	*	153,176.80
<b>Total International Tobacco Equities</b>		<b>247,533,276.02</b>			<b>11,617,992.57</b>
<b>Total Tobacco Equities</b>		<b>301,995,212.96</b>			<b>15,142,196.47</b>

\*not known

#### Methods:

- The BCIMC makes public a snapshot of its investment portfolios at the end of its fiscal year. The holdings shown on these tables are taken from these snapshot.  
Sources: <http://www.bcimc.com/publications/pdf/Inventory/Inventory20100331.pdf>
- The estimates of dividend receipts are derived by multiplying the declared dividends for the fiscal year by the number of shares reported as owned at the end of the year. Because this estimate does not take account of fluctuations of share holdings and the timing of dividend payments, it should be viewed as an illustrative calculation, not a reliable statement.
- The estimated value of the dividends (issued in foreign currencies) is converted into Canadian dollars at the rate posted by the Bank of Canada for December 31, 2010. Dividend payments were taken from Annual reports and/or investor statements on the companies' web-sites or from Yahoo Finance.
- The percentage of income represented by sales in developing countries is reported to shareholders for two multinational tobacco companies. Some companies operate exclusively within the national borders of developing countries. :  
**BAT:** [http://www.bat.com/group/sites/uk\\_3mnfen.nsf/vwPagesWebLive/DO6FKEVZ/\\$FILE/medMD8B9MHX.pdf?openelement](http://www.bat.com/group/sites/uk_3mnfen.nsf/vwPagesWebLive/DO6FKEVZ/$FILE/medMD8B9MHX.pdf?openelement)  
**Philip Morris:** [http://media.corporate-ir.net/media\\_files/IROL/14/146476/MorganStanleySLIDESFINAL1.pdf](http://media.corporate-ir.net/media_files/IROL/14/146476/MorganStanleySLIDESFINAL1.pdf)

#### Notes

- Total assets held by BCIMC: \$79.7 billion, of which 15.6% (\$12.43 billion) is invested in International equities, 16.2% (\$12.91 billion) is invested in Canadian Equities and 12.5% (\$9.73 billion) are in U.S. Equities. Investments in Canadian equities cannot include tobacco companies, as there are no publicly traded tobacco companies listed among Canadian equities.
- Less than 1% of BCIMC investments in U.S. equities are in tobacco companies, but 2% of BCIMC investments in international equities are in tobacco companies. In total the \$302 million invested in tobacco companies represents 0.9% of all stock market investments of the BCIMC.

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