
BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
ILLIQUID POOLED INVESTMENT PORTFOLIOS
GROUP OF FUNDS

Mezzanine Mortgage Fund
Private Placement Fund 1996
Private Placement Fund 1997
Private Placement Fund 1998
Private Placement Fund 1999
Private Placement Fund 1999A
2000 Private Placement Fund
2001 Private Placement Fund
2002 Private Placement Fund
2003 Private Placement Fund
2004 Private Placement Fund
2005 Private Placement Fund
2006 Private Placement Fund
2007 Private Placement Fund
2008 Private Placement Fund
2009 Private Placement Fund
2010 Private Placement Fund
2011 Private Placement Fund
2012 Private Placement Fund
2013 Private Placement Fund
2014 Private Placement Fund
Strategic Inv 100 Foreign PP Fund
Renewable Resources Investment Fund
IT Investment Trust

FINANCIAL STATEMENTS
FOR THE YEAR OR PERIOD ENDED DECEMBER 31, 2014

**British Columbia Investment Management Corporation
Pooled Investment Portfolios**

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

British Columbia Investment Management Corporation (bcIMC) manages Pooled Investment Portfolios on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. This report contains the financial statements for the following Pooled Investment Portfolios for the years (or periods) ended December 31, 2014:

Mezzanine Mortgage Fund	2001 Private Placement Fund	2008 Private Placement Fund	Strategic Inv 100 Foreign PP Fund
Private Placement Fund 1996	2002 Private Placement Fund	2009 Private Placement Fund	Renewable Resources Investment Fund
Private Placement Fund 1997	2003 Private Placement Fund	2010 Private Placement Fund	(formerly Strategic Investment Real Estate Fund)
Private Placement Fund 1998	2004 Private Placement Fund	2011 Private Placement Fund	IT Investment Trust
Private Placement Fund 1999	2005 Private Placement Fund	2012 Private Placement Fund	
Private Placement Fund 1999A	2006 Private Placement Fund	2013 Private Placement Fund	
2000 Private Placement Fund	2007 Private Placement Fund	2014 Private Placement Fund	

The financial statements of the Pooled Investment Portfolios have been prepared by management of bcIMC and approved by the Chief Investment Officer/Chief Executive Officer. All of the financial statements have been prepared in accordance with International Financial Reporting Standards. The significant accounting policies used in the preparation of these statements are disclosed in note 3 to the financial statements. The statements include certain amounts that are based on management's judgement and best estimates.

bcIMC's Board has established an Audit Committee. The Committee's mandate includes making recommendations on the appointment of the external auditor for the Pooled Investment Portfolios, reviewing the external audit plan, reviewing bcIMC's Service Organization Controls Report for the Investment System of British Columbia Investment Management Corporation, and reviewing the annual audited financial statements of the Pooled Investment Portfolios. The Committee reviews the recommendations of the internal and external auditors with respect to internal controls and the responses of management to those recommendations, and also meets with management and the internal and external auditors to review annual audit plans.

bcIMC maintains systems of internal control and supporting processes to provide reasonable assurance that assets are safeguarded; that transactions are appropriately authorized and recorded; and that there are no material misstatements in the financial statements. bcIMC's internal control framework includes: a strong corporate governance structure; a code of conduct that includes conflict of interest guidelines; an organizational structure that provides for appropriate segregation of duties and accountability for performance; an enterprise-wide risk management framework that identifies, monitors and reports on key risks; and Board-approved Pooled Investment Portfolio Policies and client-approved investment mandates. bcIMC's system of internal control is supported by internal and external auditors who review and evaluate internal controls and report directly to the Audit Committee.

bcIMC's external auditors, KPMG LLP, have full and unrestricted access to the Audit Committee and bcIMC management. KPMG LLP discusses with management and the Committee the results of their audit of the Pooled Investment Portfolios' financial statements and related findings with respect to such audits. Each of the Pooled Investment Portfolio financial statements is audited by KPMG LLP in accordance with Canadian generally accepted auditing standards. KPMG LLP has performed such tests and other procedures as they considered necessary to express an opinion on the Pooled Investment Portfolio financial statements.

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer / Chief Investment Officer

(original signed by David Woodward)

David Woodward
Senior Vice President, Finance



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INDEPENDENT AUDITORS' REPORT

To the Unitholders of the following funds managed by British Columbia Investment Management Corporation (the Manager):

Mezzanine Mortgage Fund	2006 Private Placement Fund
Private Placement Fund 1996	2007 Private Placement Fund
Private Placement Fund 1997	2008 Private Placement Fund
Private Placement Fund 1998	2009 Private Placement Fund
Private Placement Fund 1999	2010 Private Placement Fund
Private Placement Fund 1999A	2011 Private Placement Fund
2000 Private Placement Fund	2012 Private Placement Fund
2001 Private Placement Fund	2013 Private Placement Fund
2002 Private Placement Fund	2014 Private Placement Fund
2003 Private Placement Fund	Strategic Inv 100 Foreign PP Fund
2004 Private Placement Fund	Renewable Resources Investment Fund
2005 Private Placement Fund	IT Investment Trust

(collectively, the Funds).

We have audited the accompanying financial statements of the Funds, which comprise the statement of financial position of the Funds as at December 31, 2014, December 31, 2013 and January 1, 2013 and their statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows for the years ended December 31, 2014 and December 31, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Funds' Manager is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall financial statement presentation.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2014, December 31, 2013 and January 1, 2013 and their financial performance and their cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards.



Chartered Accountants

August 25, 2015

Vancouver, Canada

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

MEZZANINE MORTGAGE FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 204,622	\$ 167,254	\$ 160,077	Interest income		\$ 60	\$ 5
Liabilities					Change in fair value of investments:	8		
bcIMC funds management fees payable	4	34	25	23	Net realized gain		13,361	4,693
Other accounts payable		10	13	14	Net change in unrealized appreciation		17,060	10,036
		44	38	37	Total Revenue		30,481	14,734
Net assets attributable to holders of redeemable units					Expenses:			
		\$ 204,578	\$ 167,216	\$ 160,040	bcIMC funds management fees	4	381	254
<i>Number of redeemable units outstanding</i>	5	53.072	50.872	53.358	Administrative fees		-	1
Net assets attributable to holders of redeemable units per unit					Audit fees		12	16
		\$ 3,855	\$ 3,287	\$ 2,999	Total operating expenses		393	271
<i>Contingent liability</i>					Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
	6						30,088	14,463
					Distributions to holders of redeemable units:			
					From net investment income		-	-
					From net realized gains on investments		(12,398)	(4,426)
							(12,398)	(4,426)
					Increase in net assets attributable to holders of redeemable units			
							\$ 17,690	\$ 10,037

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

MEZZANINE MORTGAGE FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 167,216	\$ 160,040
Increase in net assets attributable to holders of redeemable units	17,690	10,037
Redeemable unit transactions:		
Proceeds from units issued	56,374	3,133
Reinvestment of distributions	12,398	4,426
Amounts paid for units redeemed	(49,100)	(10,420)
Net increase (decrease) from redeemable unit transactions	19,672	(2,861)
Balance, end of year	\$ 204,578	\$ 167,216

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 17,690	\$ 10,037
Adjustments for:		
Interest income	(60)	(5)
Net realized gain from investments	(13,361)	(4,693)
Net change in unrealized appreciation from investments	(17,060)	(10,036)
Non cash distributions	12,398	4,426
Proceeds from sale of investments	53,275	20,332
Amounts paid for purchase of investments	(60,222)	(12,780)
bcIMC funds management fees payable	9	2
Other accounts payable	(3)	(1)
Interest received	60	5
	(7,274)	7,287
Financing activities:		
Proceeds from issue of redeemable units	56,374	3,133
Payments on redemption of redeemable units	(49,100)	(10,420)
	7,274	(7,287)
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

MEZZANINE MORTGAGE FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Mortgage Investments ¹:	\$ 203,735	\$ 140,286	\$ 166,871	\$ 120,482
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	<u>887</u>	<u>887</u>	<u>383</u>	<u>383</u>
	<u>887</u>	<u>887</u>	<u>383</u>	<u>383</u>
Total Investments	<u>\$ 204,622</u>	<u>\$ 141,173</u>	<u>\$ 167,254</u>	<u>\$ 120,865</u>

¹ The mortgage investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

MEZZANINE MORTGAGE FUND

**Financial Risk Management Discussion
as at December 31**

The investment objective of the Mezzanine Mortgage Fund (the Fund) is to increase returns relative to the Fund's benchmark, the FTSE TMX Canada 365 Day T-Bill Index plus 250 basis points (to compensate for illiquidity and credit risk relative to the index). Portfolio managers utilize a multi-factor risk rating model to assess risk levels of individual investment opportunities. The risk factors that are evaluated include location, structure quality, tenant quality, borrower and covenantor's financial strength, loan to value levels, loan to cost levels, debt servicing ability, and developer's experience.

The Fund maintains a prudent level of diversification. The additional risks associated with construction projects are mitigated by requiring the involvement of only experienced developers, obtaining construction engineer evaluations, requiring significant pre-sales/pre-leasing levels and sufficient profit margin levels, as well as obtaining additional security provisions from borrowers.

The Fund invests in the following securities:

- Canadian first mortgages,
- Canadian second and third mortgages, and/or equity participation investments with CIO approval,
- Canadian first, second, and third mortgages, and/or equity participation investments, on properties classified as hotel, motel, recreational, or raw land with CIO approval,
- Units/shares in Canadian mortgage trust, mortgage funds, limited partnerships, co-investment agreements, and parallel investments agreements where the underlying assets comply with these investment policies, with CIO approval, and
- bcIMC Canadian Money Market Funds (ST1) and (ST2)

The following restrictions apply to the holding of securities in the Fund:

- Mortgages must be eligible investments under the Pensions Benefits Standards Act.
- No mortgages will be made without a site inspection, current market appraisal and a current environmental audit.
- The Fund may not invest in derivatives.

The Fund holds its mortgage investments through private corporations. The private corporations hold the following net assets:

**Financial Risk Management Discussion (continued)
as at December 31**

(in 000s)

	2014		2013	
	Total	% of Total	Total	% of Total
Fixed-Rate Mortgages	\$ 28,375	13.9 %	\$ 43,869	26.3 %
Variable-Rate Mortgages	80,485	39.5 %	54,081	32.4 %
Other Mortgage Investments	91,875	45.1 %	66,345	39.8 %
bcIMC Money Market Funds	2,405	1.2 %	1,844	1.1 %
Other Net Receivables	595	0.3 %	732	0.4 %
	<u>\$ 203,735</u>	<u>100.0 %</u>	<u>\$ 166,871</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered. The other mortgage investments consist of limited partnerships and co-investment/parallel investment agreements and often involve equity participation.

Credit Risk

The Fund invests in leveraged properties where the possibility of a borrower defaulting on payment obligations is higher than conventional mortgages. In the event of a default, the Fund may hold assets that otherwise would not be permitted provided the holdings are approved by the CIO and accepting the assets is deemed to be in the best interest of the Fund participants.

Some of the mortgages and other mortgage investments may have a higher loan-to-value ratio than traditional first mortgages. In exchange for the higher levels of risk associated with mortgages of this nature, the Mezzanine Mortgage Fund requires additional compensation and/or additional security provisions. As such, mortgage terms may involve equity participation in the development project to achieve higher rates of return and compensate for additional credit risk.

The fair value of mortgage investments as disclosed in the Statement of Investments represents the Fund's maximum exposure to credit risk.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

MEZZANINE MORTGAGE FUND

Financial Risk Management Discussion (continued)
as at December 31

Liquidity Risk

The Fund's financial assets include unlisted mortgage investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Mezzanine mortgages may have fixed or floating interest rates, adding a risk premium onto Government of Canada bond yields or bank prime lending rates. Mortgage terms may involve equity participation in the development project to achieve higher internal rates of return.

As at December 31, the Fund invested in mortgages with the following terms to maturity:

MORTGAGES BY MATURITY DATE (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Within 1 year	\$ 45,658	41.94 %	\$ 9,507	9.71 %
1 to 5 years	63,202	58.06 %	88,443	90.29 %
Total Fixed-Rate and Variable-Rate Mortgages	<u>\$ 108,860</u>	<u>100.00 %</u>	<u>\$ 97,950</u>	<u>100.00 %</u>

The majority of the mortgages have terms with floating interest rates based on bank prime lending rates plus a risk and liquidity premium. The Fund holds some fixed-rate mortgages and has the following exposure to interest rate risk. As at December 31, 2014, if the interest rate had increased/decreased by 1 percent, holding all other variables constant, net assets would have decreased/increased, respectively, by \$324,440 and \$333,493 (2013 - \$1,000,117 and \$1,032,494), representing, respectively, 0.2% and 0.2% of the Fund's net assets (2013 - 0.6% and 0.6%). In practice, the actual results may differ from the above sensitivity analysis and the difference could be material.

Currency Risk

The Fund is not exposed to significant currency risk since the Fund's net financial assets and liabilities are denominated in Canadian dollars.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

Mortgages by Industry Sector

Investments in the Fund are diversified across industry sectors. Sectors to which the Fund had exposure as at December 31 are as follows:

INDUSTRY SECTOR (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Fixed-Rate and Variable-Rate Mortgages:				
Office	\$ 6,000	3.0 %	\$ -	- %
Residential	74,485	37.1 %	88,443	53.8 %
Other	28,375	14.1 %	9,507	5.8 %
Total Fixed-Rate and Variable-Rate Mortgages	<u>108,860</u>	<u>54.2 %</u>	<u>97,950</u>	<u>59.6 %</u>
Total Other Mortgage Investments in Residential Properties	<u>91,875</u>	<u>45.8 %</u>	<u>66,345</u>	<u>40.4 %</u>
	<u>\$ 200,735</u>	<u>100.0 %</u>	<u>\$ 164,295</u>	<u>100.0 %</u>

INDUSTRY SECTOR (Number of Mortgages)	2014		2013	
	Total	% of Total	Total	% of Total
Fixed-Rate and Variable-Rate Mortgages:				
Office	1	3.7 %	-	- %
Residential	12	44.4 %	12	54.5 %
Other	4	14.8 %	1	4.5 %
Total Fixed-Rate and Variable-Rate Mortgages	<u>17</u>	<u>63.0 %</u>	<u>13</u>	<u>59.1 %</u>
Total Other Mortgage Investments in Residential Properties	<u>10</u>	<u>37.0 %</u>	<u>9</u>	<u>40.9 %</u>
	<u>27</u>	<u>100.0 %</u>	<u>22</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

MEZZANINE MORTGAGE FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk (continued)

As at December 31, 2014 and 2013, had the fair value of the mortgage investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$20,462,000 (2013 - \$16,725,000) or 10.0% (2013 – 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 595	\$ -	\$ 595
bcIMC Money Market Funds	3,292	-	-	3,292
Fixed-Rate and Variable-Rate Mortgages	-	108,860	-	108,860
Other Mortgage Investments	-	-	91,875	91,875
Total Investments	<u>\$ 3,292</u>	<u>\$ 109,455</u>	<u>\$ 91,875</u>	<u>\$ 204,622</u>

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Net Investment-Related Receivables	-	732	-	732
bcIMC Money Market Funds	2,227	-	-	2,227
Fixed-Rate and Variable-Rate Mortgages	-	97,950	-	97,950
Other Mortgage Investments	-	-	66,345	66,345
Total Investments	<u>\$ 2,227</u>	<u>\$ 98,682</u>	<u>\$ 66,345</u>	<u>\$ 167,254</u>

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

MEZZANINE MORTGAGE FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	2013
	Other Mortgage Investments	Other Mortgage Investments
(in 000s)		
Balance, beginning of year	\$ 66,345	\$ 71,142
Total gains or (losses) recognized in profit or loss	11,409	678
Purchases	16,591	4,582
Sales	(2,470)	(10,057)
Balance, end of year	<u>\$ 91,875</u>	<u>\$ 66,345</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 11,409</u>	<u>\$ 678</u>

During 2014 and 2013, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of mortgage investments categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Other Mortgage Investments	\$ 52,454	Net Asset Value	Net Asset Value	\$52,454	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
	\$ 39,421	Discounted Cash Flow	Discount rate	9%-10%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Other Mortgage Investments	\$ 40,991	Net Asset Value	Net Asset Value	\$40,991	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
	\$ 25,354	Discounted Cash Flow	Discount rate	9%-10%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

MEZZANINE MORTGAGE FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Discount rate:
Represents the discount rate applied to the expected future cash flows of each private debt investment and debt issued. For the discount rates used, bcIMC management 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.
 - (ii) Net Asset Value:
Represents the net asset value of the unlisted mortgage investments investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.
- The unlisted mortgage investments investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Input on Fair Value Measurement

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of other mortgage investments were calculated by adjusting the respective other mortgage investments' net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 9,200	\$ 6,600
Unfavourable	\$ (9,200)	\$ (6,600)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

MEZZANINE MORTGAGE FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 4 intermediary holding corporations, all of which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$203,735,000 (2013 - \$166,871,000), is shown under Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships, co-investments, syndicate investments and equity participation investments. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	1	\$ 3,978,383	\$ 887
Unlisted mortgage investments investee funds administered by third party managers	11	\$ 428,712	\$ 91,875

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	1	\$ 1,472,414	\$ 383
Unlisted mortgage investments investee funds administered by third party managers	10	\$ 279,805	\$ 66,345

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)					Statement of Comprehensive Income (all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 1,678	\$ 3,455	\$ 5,045	Change in fair value of investments:	8		
Liabilities					Net realized gain		\$ 207	\$ 1,424
bcIMC funds management fees payable	4	3	6	6	Net change in unrealized depreciation		(1,736)	(1,400)
Other accounts payable		10	12	13	Total Revenue (Loss)		(1,529)	24
		13	18	19	Expenses:			
Net assets attributable to holders of redeemable units					bcIMC funds management fees	4	35	52
		\$ 1,665	\$ 3,437	\$ 5,026	Audit fees		13	15
<i>Number of redeemable units outstanding</i>	5	0.091	0.096	0.137	Total operating expenses		48	67
Net assets attributable to holders of redeemable units per unit					Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		(1,577)	(43)
		\$ 18,297	\$ 35,802	\$ 36,686	Distributions to holders of redeemable units:			
<i>Contingent liability</i>	6				From net investment income		-	-
<i>Unfunded committed capital</i>	7				From net realized gains on investments		(159)	(1,357)
							(159)	(1,357)
					Decrease in net assets attributable to holders of redeemable units		\$ (1,736)	\$ (1,400)

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 3,437	\$ 5,026
Decrease in net assets attributable to holders of redeemable units	(1,736)	(1,400)
Redeemable unit transactions:		
Proceeds from units issued	58	181
Reinvestment of distributions	159	1,357
Amounts paid for units redeemed	(253)	(1,727)
Net decrease from redeemable unit transactions	(36)	(189)
Balance, end of year	\$ 1,665	\$ 3,437

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (1,736)	\$ (1,400)
Adjustments for:		
Net realized gain from investments	(207)	(1,424)
Net change in unrealized depreciation from investments	1,736	1,400
Non cash distributions	159	1,357
Proceeds from sale of investments	302	1,795
Amounts paid for purchase of investments	(54)	(181)
bcIMC funds management fees payable	(3)	-
Other accounts payable	(2)	(1)
	195	1,546
Financing activities:		
Proceeds from issue of redeemable units	58	181
Payments on redemption of redeemable units	(253)	(1,727)
	(195)	(1,546)
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 1,673	\$ 591	\$ 3,455	\$ 637
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>
	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 1,678</u>	<u>\$ 596</u>	<u>\$ 3,455</u>	<u>\$ 637</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1996

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1996.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 1,659	99.2 %	\$ 3,439	99.5 %
bcIMC Money Market Funds	15	0.9 %	17	0.5 %
Net Investment-Related Receivables	(1)	(0.1)%	(1)	- %
	<u>\$ 1,673</u>	<u>100.0 %</u>	<u>\$ 3,455</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
United States Dollar	\$ 873	52.4 %	\$ 1,136	33.1 %
Net Exposure	<u>\$ 873</u>	<u>52.4 %</u>	<u>\$ 1,136</u>	<u>33.1 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1996

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$9,000 Cdn (2013 - \$11,000 Cdn), representing 0.5% of the Fund's net assets (2013 - 0.3%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
British Pound Sterling	\$ -	\$ 223
United States Dollar	413	379
	<u>\$ 413</u>	<u>\$ 602</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$4,100 Cdn (2013 - \$6,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Accordingly, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$167,000 (2013 - \$345,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1996

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (1)	\$ -	\$ (1)
bcIMC Money Market Funds	20	-	-	20
Unlisted Private Equity Investee Funds	-	-	1,659	1,659
Total Investments	\$ 20	\$ (1)	\$ 1,659	\$ 1,678

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (1)	\$ -	\$ (1)
bcIMC Money Market Funds	17	-	-	17
Unlisted Private Equity Investee Funds	-	-	3,439	3,439
Total Investments	\$ 17	\$ (1)	\$ 3,439	\$ 3,455

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 3,439	\$ 3,439
Total gains or (losses) recognized in profit or loss	(1,527)	(1,527)
Purchases	-	-
Sales	(253)	(253)
Balance, end of year	\$ 1,659	\$ 1,659
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (1,602)	\$ (1,602)

	2013	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 5,148	\$ 5,148
Total gains or (losses) recognized in profit or loss	22	22
Purchases	-	-
Sales	(1,731)	(1,731)
Balance, end of year	\$ 3,439	\$ 3,439
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 695	\$ 695

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1996

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 867	Unadjusted Net Asset Value	Net Asset Value	\$867	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 792	Adjusted Net Asset Value	Net Asset Value	\$2,135	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$(1,343)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 3,470	Unadjusted Net Asset Value	Net Asset Value	\$3,470	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ (31)	Adjusted Net Asset Value	Net Asset Value	\$246	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$(277)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

- (ii) Fair value adjustment:
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets, value of private equity and debt by 10%.

(in 000s)	2014	2013
Favourable	\$ 167	\$ 345
Unfavourable	\$ (167)	\$ (345)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1996

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity, approximately \$1,673,000 (2013 - \$3,455,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 20
Unlisted private equity investee funds administered by third party managers	3	\$ 77,678	\$ 1,659

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 17
Unlisted private equity investee funds administered by third party managers	3	\$ 25,855	\$ 3,439

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

PRIVATE PLACEMENT FUND 1997

(original signed by Gordon Fyfe)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 22,111	\$ 27,704
Increase (decrease) in net assets attributable to holders of redeemable units	366	(209)
Redeemable unit transactions:		
Proceeds from units issued	109	258
Reinvestment of distributions	2,686	2,836
Amounts paid for units redeemed	(5,964)	(8,478)
Net decrease from redeemable unit transactions	(3,169)	(5,384)
Balance, end of year	\$ 19,308	\$ 22,111

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 366	\$ (209)
Adjustments for:		
Net realized gain from investments	(2,800)	(2,978)
Net change in unrealized (appreciation) depreciation from investments	(366)	209
Non cash distributions	2,686	2,836
Proceeds from sale of investments	6,084	8,627
Amounts paid for purchase of investments	(109)	(258)
bcIMC funds management fees payable	(4)	(6)
Other accounts payable	(2)	(1)
	<u>5,855</u>	<u>8,220</u>
Financing activities:		
Proceeds from issue of redeemable units	109	258
Payments on redemption of redeemable units	(5,964)	(8,478)
	<u>(5,855)</u>	<u>(8,220)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 19,320	\$ 9,224	\$ 22,098	\$ 12,369
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	<u>5</u>	<u>5</u>	<u>36</u>	<u>35</u>
	<u>5</u>	<u>5</u>	<u>36</u>	<u>35</u>
Total Investments	<u>\$ 19,325</u>	<u>\$ 9,229</u>	<u>\$ 22,134</u>	<u>\$ 12,404</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1997

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1997.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 17,714	91.7 %	\$ 22,085	99.9 %
bcIMC Money Market Funds	1,628	8.4 %	25	0.2 %
Net Investment-Related Receivables	(22)	(0.1)%	(12)	(0.1)%
	<u>\$ 19,320</u>	<u>100.0 %</u>	<u>\$ 22,098</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 106	0.5 %	\$ 637	2.9 %
United States Dollar	15,050	77.9 %	16,136	73.0 %
Net Exposure	<u>\$ 15,156</u>	<u>78.5 %</u>	<u>\$ 16,773</u>	<u>75.9 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1997

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$152,000 Cdn (2013 - \$168,000 Cdn), representing 0.8% of the Fund's net assets (2013 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
United States Dollar	\$ 14,108	\$ 12,941
	\$ 14,108	\$ 12,941

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$141,000 Cdn (2013 - \$129,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 11 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$1,933,000 (2013 - \$2,213,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1997

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (22)	\$ -	\$ (22)
bcIMC Money Market Funds	1,633	-	-	1,633
Unlisted Private Equity Investee Funds	-	-	17,714	17,714
Total Investments	\$ 1,633	\$ (22)	\$ 17,714	\$ 19,325

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (12)	\$ -	\$ (12)
bcIMC Money Market Funds	61	-	-	61
Unlisted Private Equity Investee Funds	-	-	22,085	22,085
Total Investments	\$ 61	\$ (12)	\$ 22,085	\$ 22,134

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 22,085	\$ 22,085
Total gains or (losses) recognized in profit or loss	2,961	2,961
Purchases	-	-
Sales	(7,332)	(7,332)
Balance, end of year	\$ 17,714	\$ 17,714
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (143)	\$ (143)

	2013	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 25,455	\$ 25,455
Total gains or (losses) recognized in profit or loss	2,270	2,270
Purchases	904	904
Sales	(6,544)	(6,544)
Balance, end of year	\$ 22,085	\$ 22,085
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 8,346	\$ 8,346

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1997

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 13,535	Unadjusted Net Asset Value	Net Asset Value	\$13,535	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 4,179	Adjusted Net Asset Value	Net Asset Value	\$3,753	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$426	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 16,768	Unadjusted Net Asset Value	Net Asset Value	\$16,768	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 5,317	Adjusted Net Asset Value	Net Asset Value	\$3,809	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$1,508	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.
- (ii) Fair value adjustment:
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 1,771	\$ 2,209
Unfavourable	\$ (1,771)	\$ (2,209)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1997

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$19,320,000 (2013 - \$22,098,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 1,633
Unlisted private equity investee funds administered by third party managers	8	\$ 244,722,281	\$ 17,714

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 61
Unlisted private equity investee funds administered by third party managers	8	\$ 300,242	\$ 22,085

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)					Statement of Comprehensive Income (all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 13,660	\$ 16,696	\$ 21,996	Change in fair value of investments:	8		
					Net realized gain		\$ 11,962	\$ 3,841
					Net change in unrealized appreciation (depreciation)		1,952	(1,816)
					Total Revenue		13,914	2,025
Liabilities					Expenses:			
bcIMC funds management fees payable	4	5	11	13	bcIMC funds management fees	4	76	119
Other accounts payable		10	12	13	Audit fees		13	15
		15	23	26	Total operating expenses		89	134
Net assets attributable to holders of redeemable units					Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
		\$ 13,645	\$ 16,673	\$ 21,970			13,825	1,891
<i>Number of redeemable units outstanding</i>	5	1,991	5,910	8,678	Distributions to holders of redeemable units:			
Net assets attributable to holders of redeemable units per unit					From net investment income		-	-
		\$ 6,853	\$ 2,821	\$ 2,532	From net realized gains on investments		(11,873)	(3,707)
							(11,873)	(3,707)
<i>Contingent liability</i>	6				Increase (decrease) in net assets attributable to holders of redeemable units			
<i>Unfunded committed capital</i>	7						\$ 1,952	\$ (1,816)

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 16,673	\$ 21,970
Increase (decrease) in net assets attributable to holders of redeemable units	1,952	(1,816)
Redeemable unit transactions:		
Proceeds from units issued	83	325
Reinvestment of distributions	11,873	3,707
Amounts paid for units redeemed	<u>(16,936)</u>	<u>(7,513)</u>
Net decrease from redeemable unit transactions	<u>(4,980)</u>	<u>(3,481)</u>
Balance, end of year	<u>\$ 13,645</u>	<u>\$ 16,673</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,952	\$ (1,816)
Adjustments for:		
Net realized gain from investments	(11,962)	(3,841)
Net change in unrealized (appreciation) depreciation from investments	(1,952)	1,816
Non cash distributions	11,873	3,707
Proceeds from sale of investments	17,030	7,650
Amounts paid for purchase of investments	(80)	(325)
bcIMC funds management fees payable	(6)	(2)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>16,853</u>	<u>7,188</u>
Financing activities:		
Proceeds from issue of redeemable units	83	325
Payments on redemption of redeemable units	<u>(16,936)</u>	<u>(7,513)</u>
	<u>(16,853)</u>	<u>(7,188)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹:	\$ 13,655	\$ 2,507	\$ 16,677	\$ 7,481
Money Market Investments:				
Units in bcIMC Pooled Investment				
Portfolio				
Fund ST1	5	5	19	19
	<u>5</u>	<u>5</u>	<u>19</u>	<u>19</u>
Total Investments	<u>\$ 13,660</u>	<u>\$ 2,512</u>	<u>\$ 16,696</u>	<u>\$ 7,500</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1998

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1998.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 1,403	10.3 %	\$ 8,999	54.0 %
Unlisted Private Equity Investee Funds	12,166	89.1 %	7,654	45.9 %
bcIMC Money Market Funds	19	0.1 %	25	0.1 %
Net Investment-Related Receivables	67	0.5 %	(1)	- %
	<u>\$ 13,655</u>	<u>100.0 %</u>	<u>\$ 16,677</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
British Pound Sterling	\$ 70	0.5 %	\$ 42	0.3 %
United States Dollar	1,977	14.5 %	8,223	49.3 %
Net Exposure	<u>\$ 2,047</u>	<u>15.0 %</u>	<u>\$ 8,265</u>	<u>49.6 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to the Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$20,000 Cdn (2013 - \$83,000 Cdn), representing 0.1% of the Fund's net assets (2013 - 0.5%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
British Pound Sterling	\$ 1,127	\$ 1,098
	<u>\$ 1,127</u>	<u>\$ 1,098</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$11,000 Cdn (2013 - \$11,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk

The investments are concentrated in the energy, information technology and telecommunication services sectors in Canada and the United States. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's unlisted private equity and private equity investee fund investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Energy private equity	\$ 402	2.9 %	\$ 7,694	46.2 %
Information technology private equity	1,001	7.4 %	1,305	7.8 %
Total Direct Private Equity Investments	1,403	10.3 %	8,999	54.0 %
Total Unlisted Private Equity Investee Funds in diversified energy, information technology and telecommunication services	12,166	89.7 %	7,654	46.0 %
	<u>\$ 13,569</u>	<u>100.0 %</u>	<u>\$ 16,653</u>	<u>100.0 %</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk (continued)

GEOGRAPHIC REGION (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Canada	\$ 1,001	7.3 %	\$ 1,305	7.8 %
United States	402	3.0 %	7,694	46.2 %
Total Direct Private Equity Investments	1,403	10.3 %	8,999	54.0 %
Total Unlisted Private Equity Investee Funds in diversified energy, information technology and telecommunication services	12,166	89.7 %	7,654	46.0 %
	<u>\$ 13,569</u>	<u>100.0 %</u>	<u>\$ 16,653</u>	<u>100.0 %</u>

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$1,366,000 (2013 - \$1,670,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

(in 000s)	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net Investment-Related Receivables	\$ -	\$ 67	\$ -	\$ 67
bcIMC Money Market Funds	24	-	-	24
Direct Private Equity Investments	-	-	1,403	1,403
Unlisted Private Equity Investee Funds	-	-	12,166	12,166
Total Investments	<u>\$ 24</u>	<u>\$ 67</u>	<u>\$ 13,569</u>	<u>\$ 13,660</u>

(in 000s)	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Net Investment-Related Receivables	\$ -	\$ (1)	\$ -	\$ (1)
bcIMC Money Market Funds	44	-	-	44
Direct Private Equity Investments	-	-	8,999	8,999
Unlisted Private Equity Investee Funds	-	-	7,654	7,654
Total Investments	<u>\$ 44</u>	<u>\$ (1)</u>	<u>\$ 16,653</u>	<u>\$ 16,696</u>

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

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**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014			
	Direct Private Debt Investments	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ -	\$ 8,999	\$ 7,654	\$ 16,653
Total gains or (losses) recognized in profit or loss	-	8,987	4,887	13,874
Purchases	-	-	-	-
Sales	-	(16,583)	(375)	(16,958)
Balance, end of year	\$ -	\$ 1,403	\$ 12,166	\$ 13,569
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ -	\$ (2,890)	\$ 18,449	\$ 15,559
	2013			
	Direct Private Debt Investments	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 3,215	\$ 6,506	\$ 12,429	\$ 22,150
Total gains or (losses) recognized in profit or loss	-	2,493	(682)	1,811
Purchases	-	-	2,163	2,163
Sales	(3,215)	-	(6,256)	(9,471)
Balance, end of year	\$ -	\$ 8,999	\$ 7,654	\$ 16,653
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ -	\$ 2,493	\$ 8,654	\$ 11,147

During 2014 and 2013, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 1,403	Market approach	EV / EBITDA	\$1,403	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 987	Unadjusted Net Asset Value	Net Asset Value	\$987	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 11,179	Adjusted Net Asset Value	Net Asset Value Fair Value Adjustment	\$8,934 \$2,245	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 8,999	Market approach	EV / EBITDA	\$8,999	The estimated fair value would increase(decrease) if the EV / EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 7,654	Adjusted Net Asset Value	Net Asset Value Fair Value Adjustment	\$9,208 \$(1,554)	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

**Fair Value Measurement Discussion (continued)
as at December 31**

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.

(iii) Fair value adjustment:

Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity and direct private debt investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds, of certain direct private equity and direct private debt investments and debt issued were calculated by adjusting the respective underlying investee fund's net assets and value of private equity by 10%.

(in 000s)	2014	2013
Favourable	\$ 1,359	\$ 1,665
Unfavourable	\$ (1,359)	\$ (1,665)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1998

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$13,665,000 (2013 - \$16,677,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 24
Unlisted private equity investee funds administered by third party managers	4	\$ 50,939	\$ 12,166

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 44
Unlisted private equity investee funds administered by third party managers	5	\$ 39,099	\$ 7,654

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)					Statement of Comprehensive Income (all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 47,210	\$ 69,342	\$ 68,468	Change in fair value of investments:	8		
					Net realized gain		\$ 8,945	\$ 658
					Net change in unrealized appreciation		1,327	18,117
					Total Revenue		10,272	18,775
Liabilities					Expenses:			
bcIMC funds management fees payable	4	5	11	14	bcIMC funds management fees	4	107	142
Other accounts payable		10	12	13	Audit fees		13	15
		15	23	27	Total operating expenses		120	157
Net assets attributable to holders of redeemable units					Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
		<u>\$ 47,195</u>	<u>\$ 69,319</u>	<u>\$ 68,441</u>			10,152	18,618
<i>Number of redeemable units outstanding</i>	5	28.229	52.410	70.065	Distributions to holders of redeemable units:			
Net assets attributable to holders of redeemable units per unit					From net investment income		-	-
		<u>\$ 1,672</u>	<u>\$ 1,323</u>	<u>\$ 977</u>	From net realized gains on investments		(8,137)	-
							(8,137)	-
<i>Contingent liability</i>	6				Increase in net assets attributable to holders of redeemable units			
<i>Unfunded committed capital</i>	7						\$ 2,015	\$ 18,618

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 69,319	\$ 68,441
Increase in net assets attributable to holders of redeemable units	2,015	18,618
Redeemable unit transactions:		
Proceeds from units issued	96	175
Reinvestment of distributions	8,137	-
Amounts paid for units redeemed	<u>(32,372)</u>	<u>(17,915)</u>
Net decrease from redeemable unit transactions	<u>(24,139)</u>	<u>(17,740)</u>
Balance, end of year	<u>\$ 47,195</u>	<u>\$ 69,319</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 2,015	\$ 18,618
Adjustments for:		
Net realized gain from investments	(8,945)	(658)
Net change in unrealized appreciation from investments	(1,327)	(18,117)
Non cash distributions	8,137	-
Proceeds from sale of investments	32,501	18,076
Amounts paid for purchase of investments	(97)	(175)
bcIMC funds management fees payable	(6)	(3)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>32,276</u>	<u>17,740</u>
Financing activities:		
Proceeds from issue of redeemable units	96	175
Payments on redemption of redeemable units	<u>(32,372)</u>	<u>(17,915)</u>
	<u>(32,276)</u>	<u>(17,740)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 47,209	\$ 27,253	\$ 69,289	\$ 50,660
Money Market Investments:				
Units in bcIMC Pooled Investment				
Portfolio				
Fund ST1	<u>1</u>	<u>1</u>	<u>53</u>	<u>53</u>
	<u>1</u>	<u>1</u>	<u>53</u>	<u>53</u>
Total Investments	<u>\$ 47,210</u>	<u>\$ 27,254</u>	<u>\$ 69,342</u>	<u>\$ 50,713</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1999 .

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 142	0.3 %	\$ 100	0.2 %
Unlisted Private Equity Investee Funds	40,435	85.7 %	69,178	99.8 %
bcIMC Money Market Funds	6,658	14.1 %	25	- %
Net Investment-Related Receivables	(26)	(0.1)%	(14)	- %
	<u>\$ 47,209</u>	<u>100.0 %</u>	<u>\$ 69,289</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
United States Dollar	\$ 44,361	94.0 %	\$ 53,435	77.1 %
Net Exposure	<u>\$ 44,361</u>	<u>94.0 %</u>	<u>\$ 53,435</u>	<u>77.1 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$444,000 Cdn (2013 - \$534,000 Cdn), representing 0.9% of the Fund's net assets (2013 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
United States Dollar	\$ 5,156	\$ 15,744
	\$ 5,156	\$ 15,744

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$52,000 Cdn (2013 - \$157,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The unlisted private equity investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The direct private equity investment is concentrated in the telecommunication sector in the United States. The unlisted private equity investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$4,721,000 (2013 - \$6,934,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (26)	\$ -	\$ (26)
bcIMC Money Market Funds	6,659	-	-	6,659
Direct Private Equity Investments	-	-	142	142
Unlisted Private Equity Investee Funds	-	-	40,435	40,435
Total Investments	\$ 6,659	\$ (26)	\$ 40,577	\$ 47,210

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (14)	\$ -	\$ (14)
bcIMC Money Market Funds	78	-	-	78
Direct Private Equity Investments	-	-	100	100
Unlisted Private Equity Investee Funds	-	-	69,178	69,178
Total Investments	\$ 78	\$ (14)	\$ 69,278	\$ 69,342

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 100	\$ 69,178	\$ 69,278
Total gains or (losses) recognized in profit or loss	42	10,291	10,333
Purchases	-	443	443
Sales	-	(39,477)	(39,477)
Balance, end of year	\$ 142	\$ 40,435	\$ 40,577
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 42	\$ (18,937)	\$ (18,895)

	2013		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 443	\$ 63,883	\$ 64,326
Total gains or (losses) recognized in profit or loss	539	21,708	22,247
Purchases	-	475	475
Sales	(882)	(16,888)	(17,770)
Balance, end of year	\$ 100	\$ 69,178	\$ 69,278
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 1,002	\$ 26,000	\$ 27,002

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 142	Market Approach	EV / EBITDA	\$142	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 40,435	Unadjusted Net Asset Value	Net Asset Value	\$40,435	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2013				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 100	Adjusted Net Assets Value	Fair Value Adjustment	\$ (3)	The estimated fair value would increase (decrease) if the fair value adjustment was lower (higher).
Unlisted Private Equity Investee Funds	\$ 67,568	Unadjusted Net Asset Value	Net Asset Value	\$67,568	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,610	Adjusted Net Asset Value	Net Asset Value Fair Value Adjustment	\$2,223 \$(613)	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.
- (iii) Fair value adjustment:
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

**Fair Value Measurement Discussion (continued)
as at December 31**

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds and certain direct private equity investments were calculated by adjusting the respective underlying investee fund's net assets and value of private equity by 10%.

(in 000s)	2014	2013
Favourable	\$ 4,058	\$ 6,928
Unfavourable	\$ (4,058)	\$ (6,928)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$47,209,000 (2013 - \$69,289,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 6,659
Unlisted private equity investee funds administered by third party managers	8	\$ 1,240,381	\$ 40,577

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 78
Unlisted private equity investee funds administered by third party managers	8	\$ 1,696,603	\$ 69,178

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)					Statement of Comprehensive Income (all amounts in thousands)				
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>	
Assets					Revenue:				
Investments		\$ 8,338	\$ 6,843	\$ 8,305	Change in fair value of investments:	8			
					Net realized loss		\$ (128)	\$ (217)	
					Net change in unrealized appreciation (depreciation)		2,037	(209)	
					Total Revenue (Loss)		1,909	(426)	
Liabilities					Expenses:				
bcIMC funds management fees payable	4	2	7	8	bcIMC funds management fees	4	44	64	
Other accounts payable		10	12	13	Audit fees		13	15	
		12	19	21	Total operating expenses		57	79	
Net assets attributable to holders of redeemable units					Increase (decrease) in net assets attributable to holders of redeemable units from operations				
		\$ 8,326	\$ 6,824	\$ 8,284			1,852	(505)	
<i>Number of redeemable units outstanding</i>	5	5,000	5,274	5,957	Distributions to holders of redeemable units:				
Net assets attributable to holders of redeemable units per unit					From net investment income		-	-	
		\$ 1,665	\$ 1,294	\$ 1,391	From net realized gains on investments		-	-	
							-	-	
<i>Contingent liability</i>	6				Increase (decrease) in net assets attributable to holders of redeemable units				
<i>Unfunded committed capital</i>	7						\$ 1,852	\$ (505)	

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 6,824	\$ 8,284
Increase (decrease) in net assets attributable to holders of redeemable units	1,852	(505)
Redeemable unit transactions:		
Proceeds from units issued	68	86
Amounts paid for units redeemed	<u>(418)</u>	<u>(1,041)</u>
Net decrease from redeemable unit transactions	<u>(350)</u>	<u>(955)</u>
Balance, end of year	<u>\$ 8,326</u>	<u>\$ 6,824</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,852	\$ (505)
Adjustments for:		
Net realized loss from investments	128	217
Net change in unrealized (appreciation) depreciation from investments	(2,037)	209
Proceeds from sale of investments	477	1,123
Amounts paid for purchase of investments	(63)	(87)
bcIMC funds management fees payable	(5)	(1)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>350</u>	<u>955</u>
Financing activities:		
Proceeds from issue of redeemable units	68	86
Payments on redemption of redeemable units	<u>(418)</u>	<u>(1,041)</u>
	<u>(350)</u>	<u>(955)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 8,333	\$ 8,434	\$ 6,843	\$ 8,981
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>
	<u>5</u>	<u>5</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 8,338</u>	<u>\$ 8,439</u>	<u>\$ 6,843</u>	<u>\$ 8,981</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999A

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1999A.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 8,318	99.8 %	\$ 6,828	99.8 %
bcIMC Money Market Funds	15	0.2 %	15	0.2 %
	<u>\$ 8,333</u>	<u>100.0 %</u>	<u>\$ 6,843</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
United States Dollar	\$ 2,826	33.9 %	\$ 3,508	51.4 %
Net Exposure	<u>\$ 2,826</u>	<u>33.9 %</u>	<u>\$ 3,508</u>	<u>51.4 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$28,000 Cdn (2013 - \$35,000 Cdn), representing 0.3% of the Fund's net assets (2013 - 0.5%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999A

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
United States Dollar	\$ 883	\$ 1,533
	<u>\$ 883</u>	<u>\$ 1,533</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$9,000 Cdn (2013 - \$15,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$834,000 (2013 - \$684,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999A

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2014			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 20	\$ -	\$ -	\$ 20
Unlisted Private Equity Investee Funds		-	-	8,318	8,318
Total Investments		\$ 20	\$ -	\$ 8,318	\$ 8,338

		2013			
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 15	\$ -	\$ -	\$ 15
Unlisted Private Equity Investee Funds		-	-	6,828	6,828
Total Investments		\$ 15	\$ -	\$ 6,828	\$ 6,843

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

		2014	
		Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year		\$ 6,828	\$ 6,828
Total gains or (losses) recognized in profit or loss		1,911	1,911
Purchases		-	-
Sales		(421)	(421)
Balance, end of year		\$ 8,318	\$ 8,318
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ 1,937	\$ 1,937

		2013	
		Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year		\$ 8,299	\$ 8,299
Total gains or (losses) recognized in profit or loss		(426)	(426)
Purchases		-	-
Sales		(1,045)	(1,045)
Balance, end of year		\$ 6,828	\$ 6,828
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ 15,305	\$ 15,305

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999A

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 2,820	Unadjusted Net Asset Value	Net Asset Value	\$2,820	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 5,498	Adjusted Net Asset Value	Net Asset Value	\$4,557	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$941	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 3,503	Unadjusted Net Asset Value	Net Asset Value	\$3,503	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 3,325	Adjusted Net Asset Value	Net Asset Value	\$4,683	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$(1,358)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999A

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant unobservable inputs are developed as follows:

- (i) **Net Asset Value:**
Represents the net asset value of the unlisted private equity investee funds bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.
- The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.
- (ii) **Fair value adjustment:**
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 832	\$ 683
Unfavourable	\$ (832)	\$ (683)

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$8,333,000 (2013 - \$6,843,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 20
Unlisted private equity investee funds administered by third party managers	4	\$ 246,408	\$ 8,318

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

PRIVATE PLACEMENT FUND 1999A

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 15
Unlisted private equity investee funds administered by third party managers	4	\$ 2,004,492	\$ 6,828

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets								
Investments		\$ 27,006	\$ 35,472	\$ 41,199	Revenue:			
					Change in fair value of investments:	8		
					Net realized gain		\$ 7,761	\$ 9,614
					Net change in unrealized depreciation		(5,390)	(153)
					Total Revenue		2,371	9,461
Liabilities								
bcIMC funds management fees payable	4	5	10	12	Expenses:			
Other accounts payable		10	12	13	bcIMC funds management fees	4	83	108
		15	22	25	Audit fees		13	15
					Total operating expenses		96	123
Net assets attributable to holders of redeemable units					Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
		\$ 26,991	\$ 35,450	\$ 41,174			2,275	9,338
<i>Number of redeemable units outstanding</i>	5	7.000	10.489	16.798	Distributions to holders of redeemable units:			
					From net investment income		-	-
Net assets attributable to holders of redeemable units per unit					From net realized gains on investments		(7,800)	(9,490)
		\$ 3,856	\$ 3,380	\$ 2,451			(7,800)	(9,490)
<i>Contingent liability</i>	6				Decrease in net assets attributable to holders of redeemable units			
<i>Unfunded committed capital</i>	7					\$	(5,525)	(152)

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 35,450	\$ 41,174
Decrease in net assets attributable to holders of redeemable units	(5,525)	(152)
Redeemable unit transactions:		
Proceeds from units issued	104	125
Reinvestment of distributions	7,800	9,490
Amounts paid for units redeemed	<u>(10,838)</u>	<u>(15,187)</u>
Net decrease from redeemable unit transactions	<u>(2,934)</u>	<u>(5,572)</u>
Balance, end of year	<u>\$ 26,991</u>	<u>\$ 35,450</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (5,525)	\$ (152)
Adjustments for:		
Net realized gain from investments	(7,761)	(9,614)
Net change in unrealized depreciation from investments	5,390	153
Non cash distributions	7,800	9,490
Proceeds from sale of investments	10,942	15,313
Amounts paid for purchase of investments	(105)	(125)
bcIMC funds management fees payable	(5)	(2)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>10,734</u>	<u>15,062</u>
Financing activities:		
Proceeds from issue of redeemable units	104	125
Payments on redemption of redeemable units	<u>(10,838)</u>	<u>(15,187)</u>
	<u>(10,734)</u>	<u>(15,062)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 26,987	\$ 6,106	\$ 35,445	\$ 9,174
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>19</u>	<u>19</u>	<u>27</u>	<u>27</u>
	<u>19</u>	<u>19</u>	<u>27</u>	<u>27</u>
Total Investments	<u>\$ 27,006</u>	<u>\$ 6,125</u>	<u>\$ 35,472</u>	<u>\$ 9,201</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2000 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2000 Private Placement Fund.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 25,231	93.5 %	\$ 34,881	98.3 %
bcIMC Money Market Funds	1,782	6.6 %	25	0.1 %
Cash	-	- %	553	1.6 %
Net Investment-Related Receivables	(26)	(0.1)%	(14)	- %
	<u>\$ 26,987</u>	<u>100.0 %</u>	<u>\$ 35,445</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 2,064	7.6 %	\$ 3,050	8.6 %
United States Dollar	19,225	71.2 %	19,805	55.9 %
Net Exposure	<u>\$ 21,289</u>	<u>78.9 %</u>	<u>\$ 22,855</u>	<u>64.5 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2000 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$213,000 Cdn (2013 - \$229,000 Cdn), representing 0.8% of the Fund's net assets (2013 - 0.6%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
United States Dollar	\$ 5,571	\$ 7,628
	\$ 5,571	\$ 7,628

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$56,000 Cdn (2013 - \$76,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$2,701,000 (2013 - \$3,547,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2000 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (26)	\$ -	\$ (26)
bcIMC Money Market Funds	1,801	-	-	1,801
Unlisted Private Equity Investee Funds	-	-	25,231	25,231
Total Investments	\$ 1,801	\$ (26)	\$ 25,231	\$ 27,006

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Cash	\$ -	\$ 553	\$ -	\$ 553
Net Investment-Related Receivables	-	(14)	-	(14)
bcIMC Money Market Funds	52	-	-	52
Unlisted Private Equity Investee Funds	-	-	34,881	34,881
Total Investments	\$ 52	\$ 539	\$ 34,881	\$ 35,472

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 34,881	\$ 34,881
Total gains or (losses) recognized in profit or loss	1,808	1,808
Purchases	673	673
Sales	(12,131)	(12,131)
Balance, end of year	\$ 25,231	\$ 25,231
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (6,704)	\$ (6,704)

	2013	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 39,433	\$ 39,433
Total gains or (losses) recognized in profit or loss	8,966	8,966
Purchases	1,269	1,269
Sales	(14,787)	(14,787)
Balance, end of year	\$ 34,881	\$ 34,881
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 1,684	\$ 1,684

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2000 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 24,417	Unadjusted Net Asset Value	Net Asset Value	\$24,417	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 814	Adjusted Net Asset Value	Net Asset Value	\$628	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$186	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 32,402	Unadjusted Net Asset Value	Net Asset Value	\$32,402	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 2,479	Adjusted Net Asset Value	Net Asset Value	\$2,842	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$(363)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

- (i) **Net Asset Value:**
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

- (ii) **Fair value adjustment:**
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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2000 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 2,523	\$ 3,488
Unfavourable	\$ (2,523)	\$ (3,488)

Involvement with Structured Entities
as at December 31

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$26,987,000 (2013 - \$35,445,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 1,801
Unlisted private equity investee funds administered by third party managers	10	\$ 1,407,930	\$ 25,231

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2000 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,853,110	\$ 52
Unlisted private equity investee funds administered by third party managers	10	\$ 1,773,354	\$ 34,881

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 17,155	\$ 27,005	\$ 26,965	Change in fair value of investments:	8		
					Net realized gain		\$ 8,073	\$ 3,822
					Net change in unrealized appreciation (depreciation)		(6,872)	2,130
					Total Revenue		1,201	5,952
Liabilities					Expenses:			
bcIMC funds management fees payable	4	4	4	5	bcIMC funds management fees	4	30	33
Other accounts payable		10	12	13	Audit fees		13	15
		14	16	18	Total operating expenses		43	48
Net assets attributable to holders of redeemable units					Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
		\$ 17,141	\$ 26,989	\$ 26,947			1,158	5,904
<i>Number of redeemable units outstanding</i>	5	4,621	7,744	9,917	Distributions to holders of redeemable units:			
Net assets attributable to holders of redeemable units per unit					From net investment income		-	-
		\$ 3,709	\$ 3,485	\$ 2,717	From net realized gains on investments		(8,030)	(3,774)
<i>Contingent liability</i>	6						(8,030)	(3,774)
<i>Unfunded committed capital</i>	7				Increase (decrease) in net assets attributable to holders of redeemable units			
							\$ (6,872)	\$ 2,130

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 26,989	\$ 26,947
Increase (decrease) in net assets attributable to holders of redeemable units	(6,872)	2,130
Redeemable unit transactions:		
Proceeds from units issued	50	46
Reinvestment of distributions	8,030	3,774
Amounts paid for units redeemed	(11,056)	(5,908)
Net decrease from redeemable unit transactions	(2,976)	(2,088)
Balance, end of year	\$ 17,141	\$ 26,989

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (6,872)	\$ 2,130
Adjustments for:		
Net realized gain from investments	(8,073)	(3,822)
Net change in unrealized (appreciation) depreciation from investments	6,872	(2,130)
Non cash distributions	8,030	3,774
Proceeds from sale of investments	11,098	5,958
Amounts paid for purchase of investments	(47)	(46)
bcIMC funds management fees payable	-	(1)
Other accounts payable	(2)	(1)
	<u>11,006</u>	<u>5,862</u>
Financing activities:		
Proceeds from issue of redeemable units	50	46
Payments on redemption of redeemable units	(11,056)	(5,908)
	<u>(11,006)</u>	<u>(5,862)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair</u>	<u>Cost</u>	<u>Fair</u>	<u>Cost</u>
	<u>Value</u>		<u>Value</u>	
Private Equity Investments ¹:	\$ 17,150	\$ 4,389	\$ 27,004	\$ 7,371
Money Market Investments:				
Units in bcIMC Pooled Investment				
Portfolio				
Fund ST1	<u>5</u>	<u>5</u>	<u>1</u>	<u>1</u>
	<u>5</u>	<u>5</u>	<u>1</u>	<u>1</u>
Total Investments	<u>\$ 17,155</u>	<u>\$ 4,394</u>	<u>\$ 27,005</u>	<u>\$ 7,372</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2001 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2001 Private Placement Fund.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 16,129	94.0 %	\$ 26,979	99.9 %
bcIMC Money Market Funds	1,021	6.0 %	25	0.1 %
	<u>\$ 17,150</u>	<u>100.0 %</u>	<u>\$ 27,004</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
United States Dollar	\$ 17,140	100.0 %	\$ 26,984	100.0 %
Net Exposure	<u>\$ 17,140</u>	<u>100.0 %</u>	<u>\$ 26,984</u>	<u>100.0 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$171,000 Cdn (2013 - \$270,000 Cdn), representing 1.0% of the Fund's net assets (2013 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2001 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY

(Cdn 000s)

United States Dollar

	2014	2013
	\$ 2,756	\$ 4,862
	<u>\$ 2,756</u>	<u>\$ 4,862</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$28,000 Cdn (2013 - \$49,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$1,715,000 (2013 - \$2,700,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2001 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 9 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2014			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 1,026	\$ -	\$ -	\$ 1,026
Unlisted Private Equity Investee Funds		-	-	16,129	16,129
Total Investments		\$ 1,026	\$ -	\$ 16,129	\$ 17,155

		2013			
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 26	\$ -	\$ -	\$ 26
Unlisted Private Equity Investee Funds		-	-	26,979	26,979
Total Investments		\$ 26	\$ -	\$ 26,979	\$ 27,005

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

		2014	
		Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year		\$ 26,979	\$ 26,979
Total gains or (losses) recognized in profit or loss		1,174	1,174
Purchases		-	-
Sales		(12,024)	(12,024)
Balance, end of year		\$ 16,129	\$ 16,129
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ (6,820)	\$ (6,820)

		2013	
		Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year		\$ 25,583	\$ 25,583
Total gains or (losses) recognized in profit or loss		5,954	5,954
Purchases		687	687
Sales		(5,245)	(5,245)
Balance, end of year		\$ 26,979	\$ 26,979
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ 3,811	\$ 3,811

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2001 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 16,129	Unadjusted Net Asset Value	Net Asset Value	\$16,129	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 26,979	Unadjusted Net Asset Value	Net Asset Value	\$26,979	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 1,613	\$ 2,698
Unfavourable	\$ (1,613)	\$ (2,698)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2001 PRIVATE PLACEMENT FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$17,150,000 (2013 - \$27,004,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 1,026
Unlisted private equity investee funds administered by third party managers	5	\$ 813,625	\$ 16,129

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2001 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 26
Unlisted private equity investee funds administered by third party managers	5	\$ 1,223,911	\$ 26,979

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2014	December 31, 2013 (note 12)	January 1, 2013 (note 12)
Assets				
Investments		\$ 62,360	\$ 68,194	\$ 78,860
Liabilities				
bcIMC funds management fees payable	4	3	6	7
Other accounts payable		10	12	13
		<u>13</u>	<u>18</u>	<u>20</u>
Net assets attributable to holders of redeemable units		<u>\$ 62,347</u>	<u>\$ 68,176</u>	<u>\$ 78,840</u>
<i>Number of redeemable units outstanding</i>	5	23,539	29,791	43,891
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,649</u>	<u>\$ 2,288</u>	<u>\$ 1,796</u>
<i>Contingent liability</i>	6			
<i>Unfunded committed capital</i>	7			

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2014	Year Ended December 31, 2013 (note 12)
Revenue:			
Change in fair value of investments:	8		
Net realized gain		\$ 6,235	\$ 7,320
Net change in unrealized appreciation		<u>2,368</u>	<u>7,811</u>
Total Revenue		<u>8,603</u>	<u>15,131</u>
Expenses:			
bcIMC funds management fees	4	48	50
Audit fees		<u>13</u>	<u>15</u>
Total operating expenses		<u>61</u>	<u>65</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>8,542</u>	<u>15,066</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		<u>(6,173)</u>	<u>(7,255)</u>
		<u>(6,173)</u>	<u>(7,255)</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 2,369</u>	<u>\$ 7,811</u>

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 68,176	\$ 78,840
Increase in net assets attributable to holders of redeemable units	2,369	7,811
Redeemable unit transactions:		
Proceeds from units issued	67	63
Reinvestment of distributions	6,173	7,255
Amounts paid for units redeemed	<u>(14,438)</u>	<u>(25,793)</u>
Net decrease from redeemable unit transactions	<u>(8,198)</u>	<u>(18,475)</u>
Balance, end of year	<u>\$ 62,347</u>	<u>\$ 68,176</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 2,369	\$ 7,811
Adjustments for:		
Net realized gain from investments	(6,235)	(7,320)
Net change in unrealized appreciation from investments	(2,368)	(7,811)
Non cash distributions	6,173	7,255
Proceeds from sale of investments	14,503	25,860
Amounts paid for purchase of investments	(66)	(63)
bcIMC funds management fees payable	(3)	(1)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>14,371</u>	<u>25,730</u>
Financing activities:		
Proceeds from issue of redeemable units	67	63
Payments on redemption of redeemable units	<u>(14,438)</u>	<u>(25,793)</u>
	<u>(14,371)</u>	<u>(25,730)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 62,346	\$ 30,718	\$ 68,182	\$ 38,922
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	<u>14</u>	<u>14</u>	<u>12</u>	<u>12</u>
	<u>14</u>	<u>14</u>	<u>12</u>	<u>12</u>
Total Investments	<u>\$ 62,360</u>	<u>\$ 30,732</u>	<u>\$ 68,194</u>	<u>\$ 38,934</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2002 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2002 Private Placement Fund.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 60,903	97.7 %	\$ 67,820	99.5 %
bcIMC Money Market Funds	1,443	2.3 %	362	0.5 %
	<u>\$ 62,346</u>	<u>100.0 %</u>	<u>\$ 68,182</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 4,385	7.0 %	\$ 5,358	7.9 %
United States Dollar	51,875	83.2 %	51,732	75.8 %
Net Exposure	<u>\$ 56,260</u>	<u>90.2 %</u>	<u>\$ 57,090</u>	<u>83.7 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$563,000 Cdn (2013 - \$571,000 Cdn), representing 0.9% of the Fund's net assets (2013 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2002 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 516	\$ 3,443
United States Dollar	3,614	6,508
	<u>\$ 4,130</u>	<u>\$ 9,951</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$41,000 Cdn (2013 - \$100,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$6,236,000 (2013 - \$6,819,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2002 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2014			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 1,457	\$ -	\$ -	\$ 1,457
Unlisted Private Equity Investee Funds		-	-	60,903	60,903
Total Investments		\$ 1,457	\$ -	\$ 60,903	\$ 62,360

		2013			
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 374	\$ -	\$ -	\$ 374
Unlisted Private Equity Investee Funds		-	-	67,820	67,820
Total Investments		\$ 374	\$ -	\$ 67,820	\$ 68,194

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

		2014	
		Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year		\$ 67,820	\$ 67,820
Total gains or (losses) recognized in profit or loss		8,345	8,345
Purchases		867	867
Sales		(16,129)	(16,129)
Balance, end of year		\$ 60,903	\$ 60,903
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ 2,312	\$ 2,312

		2013	
		Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year		\$ 76,321	\$ 76,321
Total gains or (losses) recognized in profit or loss		13,917	13,917
Purchases		1,592	1,592
Sales		(24,010)	(24,010)
Balance, end of year		\$ 67,820	\$ 67,820
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ 1,894	\$ 1,894

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 54,838	Unadjusted Net Asset Value	Net Asset Value	\$54,838	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 6,065	Adjusted Net Asset Value	Net Asset Value Fair Value Adjustment	\$7,770 \$(1,705)	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 57,010	Unadjusted Net Asset Value	Net Asset Value	\$57,010	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 10,810	Adjusted Net Asset value	Net Asset Value Fair Value Adjustment	\$8,189 \$2,621	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

Significant unobservable inputs are developed as follows:

- (i) **Net Asset Value:**
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

- (ii) **Fair value adjustment:**
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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**Fair Value Measurement Discussion (continued)
as at December 31**

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 6,090	\$ 6,782
Unfavourable	\$ (6,090)	\$ (6,782)

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$62,346,000 (2013 - \$68,182,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 1,457
Unlisted private equity investee funds administered by third party managers	5	\$ 1,322,714	\$ 60,903

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2002 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 374
Unlisted private equity investee funds administered by third party managers	5	\$ 4,076,179	\$ 67,820

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands except number of units)					(all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 (note 12)	January 1, 2013 (note 12)		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 (note 12)
Assets					Revenue:			
Investments		\$ 81,492	\$ 73,560	\$ 81,268	Change in fair value of investments:	8		
Liabilities					Net realized gain		\$ 5,924	\$ 12,106
bcIMC funds management fees payable	4	5	8	9	Net change in unrealized appreciation		11,830	7,613
Other accounts payable		10	12	13	Total Revenue		17,754	19,719
		15	20	22	Expenses:			
Net assets attributable to holders of redeemable units					bcIMC funds management fees	4	90	96
		\$ 81,477	\$ 73,540	\$ 81,246	Audit fees		13	15
Number of redeemable units outstanding	5	42.905	51.089	76.540	Total operating expenses		103	111
Net assets attributable to holders of redeemable units per unit					Increase in net assets attributable to holders of redeemable units from operations excluding distributions		17,651	19,608
		\$ 1,899	\$ 1,439	\$ 1,061	Distributions to holders of redeemable units:			
Contingent liability	6				From net investment income		-	-
Unfunded committed capital	7				From net realized gains on investments		(5,821)	(11,995)
							(5,821)	(11,995)
					Increase in net assets attributable to holders of redeemable units		\$ 11,830	\$ 7,613

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 73,540	\$ 81,246
Increase in net assets attributable to holders of redeemable units	11,830	7,613
Redeemable unit transactions:		
Proceeds from units issued	2,006	545
Reinvestment of distributions	5,821	11,995
Amounts paid for units redeemed	<u>(11,720)</u>	<u>(27,859)</u>
Net decrease from redeemable unit transactions	<u>(3,893)</u>	<u>(15,319)</u>
Balance, end of year	<u>\$ 81,477</u>	<u>\$ 73,540</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 11,830	\$ 7,613
Adjustments for:		
Net realized gain from investments	(5,924)	(12,106)
Net change in unrealized appreciation from investments	(11,830)	(7,613)
Non cash distributions	5,821	11,995
Proceeds from sale of investments	11,828	27,973
Amounts paid for purchase of investments	(2,006)	(546)
bcIMC funds management fees payable	(3)	(1)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>9,714</u>	<u>27,314</u>
Financing activities:		
Proceeds from issue of redeemable units	2,006	545
Payments on redemption of redeemable units	<u>(11,720)</u>	<u>(27,859)</u>
	<u>(9,714)</u>	<u>(27,314)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 81,485	\$ 27,186	\$ 73,545	\$ 31,076
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	<u>7</u>	<u>6</u>	<u>15</u>	<u>14</u>
	<u>7</u>	<u>6</u>	<u>15</u>	<u>14</u>
Total Investments	<u>\$ 81,492</u>	<u>\$ 27,192</u>	<u>\$ 73,560</u>	<u>\$ 31,090</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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2003 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2003 Private Placement Fund.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 8,734	10.7 %	\$ 4,090	5.6 %
Unlisted Private Equity Investee Funds	72,735	89.3 %	69,430	94.4 %
bclMC Money Market Funds	16	- %	25	- %
	<u>\$ 81,485</u>	<u>100.0 %</u>	<u>\$ 73,545</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and its investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$16,327,000 Cdn which represents 20.0% of the net asset value of the Fund (2013 - \$23,485,000 Cdn which represented 31.9% of the net asset value of the Fund).

The above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, 2014, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$163,000 Cdn (2013 - \$235,000 Cdn), representing 0.2% of the Fund's net assets (2013 - 0.3%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$2,430,000 Cdn (2013 - \$2,686,000 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$24,000 Cdn (2013 - \$27,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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POOLED INVESTMENT PORTFOLIO

2003 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk

The unlisted private equity investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The direct private equity investment is concentrated in the information technology sector in Canada. The unlisted private equity investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$8,149,000 (2013 - \$7,356,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2014			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds	\$	23	\$ -	\$ -	\$ 23
Direct Private Equity Investments		-	-	8,734	8,734
Unlisted Private Equity Investee Funds		-	-	72,735	72,735
Total Investments	\$	23	\$ -	\$ 81,469	\$ 81,492

		2013			
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)					
bcIMC Money Market Funds	\$	40	\$ -	\$ -	\$ 40
Direct Private Equity Investments		-	-	4,090	4,090
Unlisted Private Equity Investee Funds		-	-	69,430	69,430
Total Investments	\$	40	\$ -	\$ 73,520	\$ 73,560

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2003 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

(in 000s)	2014			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Balance, beginning of year	\$ 4,090	\$ 69,430	\$	73,520
Total gains or (losses) recognized in profit or loss	2,737	14,161		16,898
Purchases	1,907	622		2,529
Sales	-	(11,478)		(11,478)
Balance, end of year	<u>\$ 8,734</u>	<u>\$ 72,735</u>	<u>\$</u>	<u>81,469</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 2,737</u>	<u>\$ 5,119</u>	<u>\$</u>	<u>7,856</u>
(in 000s)	2013			
	Direct Private Equity Investments	Direct Private Equity Investments	Total	
Balance, beginning of year	\$ 4,090	\$ 74,935	\$	79,025
Total gains or (losses) recognized in profit or loss	-	16,595		16,595
Purchases	-	1,864		1,864
Sales	-	(23,964)		(23,964)
Balance, end of year	<u>\$ 4,090</u>	<u>\$ 69,430</u>	<u>\$</u>	<u>73,520</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ -</u>	<u>\$ 1,306</u>	<u>\$</u>	<u>1,306</u>

During 2014 and 2013, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 8,734	Market approach	EV / EBITDA	\$8,734	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 85	Market approach	EV / EBITDA	\$85	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 72,650	Unadjusted Net Asset Value	Net Asset Value	\$72,650	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

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2003 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 4,090	Market approach	EV / EBITDA	\$4,090	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 69,430	Unadjusted Net Asset Value	Net Asset Value	\$69,430	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

Fair Value Measurement Discussion (continued)
as at December 31

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value ("EV") and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

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Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds and certain direct private equity investments were calculated by adjusting the respective underlying investee fund's net assets and value of private equity by 10%.

(in 000s)	2014	2013
Favourable	\$ 8,147	\$ 7,352
Unfavourable	\$ (8,147)	\$ (7,352)

Involvement with Structured Entities
as at December 31

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$81,485,000 (2013 - \$73,545,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 23
Unlisted private equity investee funds administered by third party managers	8	\$ 3,231,753	\$ 72,735

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2003 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 40
Unlisted private equity investee funds administered by third party managers	8	\$ 4,010,522	\$ 69,430

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands *except number of units*)

	Note	December 31, 2014	December 31, 2013 (note 12)	January 1, 2013 (note 12)
Assets				
Investments		\$ 39,696	\$ 61,800	\$ 78,254
Liabilities				
bcIMC funds management fees payable	4	5	9	11
Other accounts payable		10	12	13
		<u>15</u>	<u>21</u>	<u>24</u>
Net assets attributable to holders of redeemable units		<u>\$ 39,681</u>	<u>\$ 61,779</u>	<u>\$ 78,230</u>
<i>Number of redeemable units outstanding</i>	5	42.845	59.789	81.256
Net assets attributable to holders of redeemable units per unit		<u>\$ 926</u>	<u>\$ 1,033</u>	<u>\$ 963</u>
<i>Contingent liability</i>	6			
<i>Unfunded committed capital</i>	7			

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2014	Year Ended December 31, 2013 (note 12)
Revenue:			
Change in fair value of investments:	8		
Net realized gain		\$ 2,396	\$ 3,094
Net change in unrealized appreciation (depreciation)		<u>(6,868)</u>	<u>2,083</u>
Total Revenue		<u>(4,472)</u>	<u>5,177</u>
Expenses:			
bcIMC funds management fees	4	98	110
Audit fees		<u>13</u>	<u>15</u>
Total operating expenses		<u>111</u>	<u>125</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(4,583)</u>	<u>5,052</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		<u>(10,269)</u>	<u>(2,970)</u>
		<u>(10,269)</u>	<u>(2,970)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (14,852)</u>	<u>\$ 2,082</u>

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 61,779	\$ 78,230
Increase (decrease) in net assets attributable to holders of redeemable units	(14,852)	2,082
Redeemable unit transactions:		
Proceeds from units issued	875	116
Reinvestment of distributions	10,269	2,970
Amounts paid for units redeemed	(18,390)	(21,619)
Net decrease from redeemable unit transactions	(7,246)	(18,533)
Balance, end of year	\$ 39,681	\$ 61,779

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (14,852)	\$ 2,082
Adjustments for:		
Net realized gain from investments	(2,396)	(3,094)
Net change in unrealized (appreciation) depreciation from investments	6,868	(2,083)
Non cash distributions	10,269	2,970
Proceeds from sale of investments	18,506	21,747
Amounts paid for purchase of investments	(874)	(116)
bcIMC funds management fees payable	(4)	(2)
Other accounts payable	(2)	(1)
	<u>17,515</u>	<u>21,503</u>
Financing activities:		
Proceeds from issue of redeemable units	875	116
Payments on redemption of redeemable units	(18,390)	(21,619)
	<u>(17,515)</u>	<u>(21,503)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 39,671	\$ 46,355	\$ 61,786	\$ 61,601
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	<u>25</u>	<u>25</u>	<u>14</u>	<u>15</u>
	<u>25</u>	<u>25</u>	<u>14</u>	<u>15</u>
Total Investments	<u>\$ 39,696</u>	<u>\$ 46,380</u>	<u>\$ 61,800</u>	<u>\$ 61,616</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2004 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2004 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 39,563	99.7 %	\$ 61,757	100.0 %
bcIMC Money Market Funds	108	0.3 %	29	- %
	<u>\$ 39,671</u>	<u>100.0 %</u>	<u>\$ 61,786</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 6,462	16.3 %	\$ 14,190	23.0 %
Japanese Yen	154	0.4 %	915	1.5 %
United States Dollar	12,339	31.1 %	19,222	31.1 %
Net Exposure	<u>\$ 18,955</u>	<u>47.8 %</u>	<u>\$ 34,327</u>	<u>55.6 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$190,000 Cdn (2013 - \$343,000 Cdn), representing 0.5% of the Fund's net assets (2013 - 0.6%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2004 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 39	\$ 48
Japanese Yen	10,413	12,820
United States Dollar	3,146	4,292
	<u>\$ 13,598</u>	<u>\$ 17,160</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$136,000 Cdn (2013 - \$172,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$3,970,000 (2013 - \$6,180,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2004 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2014			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 133	\$ -	\$ -	\$ 133
Unlisted Private Equity Investee Funds		-	-	39,563	39,563
Total Investments		\$ 133	\$ -	\$ 39,563	\$ 39,696

		2013			
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 43	\$ -	\$ -	\$ 43
Unlisted Private Equity Investee Funds		-	-	61,757	61,757
Total Investments		\$ 43	\$ -	\$ 61,757	\$ 61,800

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

		2014	
		Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year		\$ 61,757	\$ 61,757
Total gains or (losses) recognized in profit or loss		(7,551)	(7,551)
Purchases		867	867
Sales		(15,510)	(15,510)
Balance, end of year		\$ 39,563	\$ 39,563
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ (16,478)	\$ (16,478)

		2013	
		Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year		\$ 76,663	\$ 76,663
Total gains or (losses) recognized in profit or loss		4,610	4,610
Purchases		1,626	1,626
Sales		(21,142)	(21,142)
Balance, end of year		\$ 61,757	\$ 61,757
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ (6,367)	\$ (6,367)

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2004 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 33,594	Unadjusted Adjusted Net Asset Value	Net Asset Value	\$33,594	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Fund	\$ 5,969	Adjusted Net Asset Value	Net Asset Value Fair Value Adjustment	\$6,131 \$(162)	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 61,757	Unadjusted Net Asset Value	Net Asset Value	\$61,757	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

- (ii) Fair value adjustment:
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 3,956	\$ 6,176
Unfavourable	\$ (3,956)	\$ (6,176)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2004 PRIVATE PLACEMENT FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$39,671,000 (2013 - \$61,786,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 133
Unlisted private equity investee funds administered by third party managers	10	\$ 408,897	\$ 39,563

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 43
Unlisted private equity investee funds administered by third party managers	10	\$ 700,928	\$ 61,757

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2005 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands *except number of units*)

	Note	December 31, 2014	December 31, 2013 (note 12)	January 1, 2013 (note 12)
Assets				
Investments		\$ 316,955	\$ 440,008	\$ 529,721
Liabilities				
bcIMC funds management fees payable	4	16	15	16
Other accounts payable		10	12	13
		<u>26</u>	<u>27</u>	<u>29</u>
Net assets attributable to holders of redeemable units		<u>\$ 316,929</u>	<u>\$ 439,981</u>	<u>\$ 529,692</u>
<i>Number of redeemable units outstanding</i>	5	325.899	554.215	897.577
Net assets attributable to holders of redeemable units per unit		<u>\$ 972</u>	<u>\$ 794</u>	<u>\$ 590</u>
<i>Contingent liability</i>	6			
<i>Unfunded committed capital</i>	7			

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2014	Year Ended December 31, 2013 (note 12)
Revenue:			
Change in fair value of investments:	8		
Net realized gain		\$ 102,379	\$ 83,989
Net change in unrealized appreciation (depreciation)		(44,337)	33,820
Total Revenue		<u>58,042</u>	<u>117,809</u>
Expenses:			
bcIMC funds management fees	4	180	153
External management fees		128	206
Audit fees		13	15
Pursuit cost		-	2
Total operating expenses		<u>321</u>	<u>376</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>57,721</u>	<u>117,433</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(101,958)	(83,614)
		<u>(101,958)</u>	<u>(83,614)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (44,237)</u>	<u>\$ 33,819</u>

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2005 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 439,981	\$ 529,692
Increase (decrease) in net assets attributable to holders of redeemable units	(44,237)	33,819
Redeemable unit transactions:		
Proceeds from units issued	1,171	1,889
Reinvestment of distributions	101,958	83,614
Amounts paid for units redeemed	(181,944)	(209,033)
Net decrease from redeemable unit transactions	(78,815)	(123,530)
Balance, end of year	\$ 316,929	\$ 439,981

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (44,237)	\$ 33,819
Adjustments for:		
Net realized gain from investments	(102,379)	(83,989)
Net change in unrealized (appreciation) depreciation from investments	44,337	(33,820)
Non cash distributions	101,958	83,614
Proceeds from sale of investments	182,266	209,418
Amounts paid for purchase of investments	(1,171)	(1,896)
bcIMC funds management fees payable	1	(1)
Other accounts payable	(2)	(1)
	180,773	207,144
Financing activities:		
Proceeds from issue of redeemable units	1,171	1,889
Payments on redemption of redeemable units	(181,944)	(209,033)
	(180,773)	(207,144)
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2005 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 316,901	\$ 111,732	\$ 439,994	\$ 190,488
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>54</u>	<u>54</u>	<u>14</u>	<u>14</u>
	<u>54</u>	<u>54</u>	<u>14</u>	<u>14</u>
Total Investments	<u><u>\$ 316,955</u></u>	<u><u>\$ 111,786</u></u>	<u><u>\$ 440,008</u></u>	<u><u>\$ 190,502</u></u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2005 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2005 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 312,583	98.6 %	\$ 428,293	97.3 %
bcIMC Money Market Funds	2,810	0.9 %	11,714	2.7 %
Net Investment-Related Receivables	1,508	0.5 %	(13)	- %
	<u>\$ 316,901</u>	<u>100.0 %</u>	<u>\$ 439,994</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 54,023	17.0 %	\$ 71,291	16.2 %
United States Dollar	252,655	79.7 %	353,467	80.3 %
Net Exposure	<u>\$ 306,678</u>	<u>96.8 %</u>	<u>\$ 424,758</u>	<u>96.5 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2005 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$3,067,000 Cdn (2013 - \$4,248,000 Cdn), representing 1.0% of the Fund's net assets (2013 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 12,740	\$ 15,704
United States Dollar	43,719	51,629
	<u>\$ 56,459</u>	<u>\$ 67,333</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$565,000 Cdn (2013 - \$673,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$31,696,000 (2013 - \$44,001,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

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**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 1,508	\$ -	\$ 1,508
bcIMC Money Market Funds	2,864	-	-	2,864
Unlisted Private Equity Investee Funds	-	-	312,583	312,583
Total Investments	\$ 2,864	\$ 1,508	\$ 312,583	\$ 316,955

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (13)	\$ -	\$ (13)
bcIMC Money Market Funds	11,728	-	-	11,728
Unlisted Private Equity Investee Funds	-	-	428,293	428,293
Total Investments	\$ 11,728	\$ (13)	\$ 428,293	\$ 440,008

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 428,293	\$ 428,293
Total gains or (losses) recognized in profit or loss	54,739	54,739
Purchases	4,955	4,955
Sales	(175,404)	(175,404)
Balance, end of year	\$ 312,583	\$ 312,583
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (59,287)	\$ (59,287)

	2013	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 515,341	\$ 515,341
Total gains or (losses) recognized in profit or loss	97,961	97,961
Purchases	11,575	11,575
Sales	(196,584)	(196,584)
Balance, end of year	\$ 428,293	\$ 428,293
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (26,217)	\$ (26,217)

During 2014 and 2013, there were no significant transfers into or out of Level 3.

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**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 312,583	Unadjusted Net Asset Value	Net Asset Value	\$312,583	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 428,293	Unadjusted Net Asset Value	Net Asset Value	\$428,293	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if: the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 31,258	\$ 42,829
Unfavourable	\$ (31,258)	\$ (42,829)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$316,901,000 (2013 - \$439,994,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 2,864
Unlisted private equity investee funds administered by third party managers	15	\$ 27,427,775	\$ 312,583

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 11,728
Unlisted private equity investee funds administered by third party managers	15	\$ 33,654,628	\$ 428,293

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets								
Investments		\$ 568,756	\$ 666,452	\$ 627,180	Revenue:			
					Change in fair value of investments:	8		
					Net realized gain		\$ 78,248	\$ 20,485
					Net change in unrealized appreciation		37,037	132,017
					Total Revenue		115,285	152,502
Liabilities								
bcIMC funds management fees payable	4	17	11	13	Expenses:			
Other accounts payable		10	12	13	bcIMC funds management fees	4	182	131
Foreign currency contracts		-	-	1,245	Audit fees		13	15
		27	23	1,271	Total operating expenses		195	146
Net assets attributable to holders of redeemable units					Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
		\$ 568,729	\$ 666,429	\$ 625,909			115,090	152,356
<i>Number of redeemable units outstanding</i>					Distributions to holders of redeemable units:			
	5	315.245	466.709	566.671	From net investment income		-	-
Net assets attributable to holders of redeemable units per unit					From net realized gains on investments		(79,560)	(23,744)
		\$ 1,804	\$ 1,428	\$ 1,105			(79,560)	(23,744)
<i>Contingent liability</i>					Increase in net assets attributable to holders of redeemable units			
<i>Unfunded committed capital</i>	7						\$ 35,530	\$ 128,612

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 666,429	\$ 625,909
Increase in net assets attributable to holders of redeemable units	35,530	128,612
Redeemable unit transactions:		
Proceeds from units issued	2,521	6,543
Reinvestment of distributions	79,560	23,744
Amounts paid for units redeemed	<u>(215,311)</u>	<u>(118,379)</u>
Net decrease from redeemable unit transactions	<u>(133,230)</u>	<u>(88,092)</u>
Balance, end of year	<u>\$ 568,729</u>	<u>\$ 666,429</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 35,530	\$ 128,612
Adjustments for:		
Net realized gain from investments	(78,248)	(20,485)
Net change in unrealized appreciation from investments	(37,037)	(132,017)
Non cash distributions	79,560	23,744
Proceeds from sale of investments	215,498	203,838
Amounts paid for purchase of investments	(2,517)	(91,853)
bcIMC funds management fees payable	6	(2)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>212,790</u>	<u>111,836</u>
Financing activities:		
Proceeds from issue of redeemable units	2,521	6,543
Payments on redemption of redeemable units	<u>(215,311)</u>	<u>(118,379)</u>
	<u>(212,790)</u>	<u>(111,836)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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2006 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 568,751	\$ 282,331	\$ 666,421	\$ 417,038
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>5</u>	<u>5</u>	<u>31</u>	<u>31</u>
	<u>5</u>	<u>5</u>	<u>31</u>	<u>31</u>
Total Investments	<u>\$ 568,756</u>	<u>\$ 282,336</u>	<u>\$ 666,452</u>	<u>\$ 417,069</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2006 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2006 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ -	- %	\$ 62,268	9.3 %
Unlisted Private Equity Investee Funds	537,504	94.5 %	599,386	89.9 %
bclMC Money Market Funds	29,378	5.2 %	3,092	0.5 %
Cash	1,869	0.3 %	1,675	0.3 %
	<u>\$ 568,751</u>	<u>100.0 %</u>	<u>\$ 666,421</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 130,604	23.0 %	\$ 256,711	38.5 %
United States Dollar	312,821	55.0 %	297,836	44.7 %
Net Exposure	<u>\$ 443,425</u>	<u>78.0 %</u>	<u>\$ 554,547</u>	<u>83.2 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to the Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$4,434,000 Cdn (2013 - \$5,545,000 Cdn), representing 0.8% of the Fund's net assets (2013 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2006 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 25,366	\$ 31,524
United States Dollar	31,067	38,956
	<u>\$ 56,433</u>	<u>\$ 70,480</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$564,000 Cdn (2013 - \$705,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's unlisted private equity and private equity investee fund investments are concentrated in the following industries:

**Financial Risk Management Discussion (continued)
as at December 31**

INDUSTRY SECTOR (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Healthcare private equity	\$ -	- %	\$ 62,268	9.4 %
Total Direct Private Equity Investments:	-	- %	62,268	9.4 %
Total Unlisted Private Equity Investee Funds in diversified private equity	537,504	100.0 %	599,386	90.6 %
	<u>\$ 537,504</u>	<u>100.0 %</u>	<u>\$ 661,654</u>	<u>100.0 %</u>

The Fund's direct private equity and private equity investee fund investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Globally diversified	\$ -	- %	\$ 62,268	9.4 %
Total Direct Private Equity Investments:	-	- %	62,268	9.4 %
Total Unlisted Private Equity Investee Funds in diversified private equity	537,504	100.0 %	599,386	90.6 %
	<u>\$ 537,504</u>	<u>100.0 %</u>	<u>\$ 661,654</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

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Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$56,876,000 (2013 - \$66,645,000) or 10.0% (2013 – 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Fair Value Measurement Discussion
as at December 31

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash	\$ -	\$ 1,869	\$ -	\$ 1,869
bcIMC Money Market Funds	29,383	-	-	29,383
Unlisted Private Equity Investee Funds	-	-	537,504	537,504
Total Investments	<u>\$ 29,383</u>	<u>\$ 1,869</u>	<u>\$ 537,504</u>	<u>\$ 568,756</u>

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Cash	\$ -	\$ 1,675	\$ -	\$ 1,675
bcIMC Money Market Funds	3,123	-	-	3,123
Direct Private Equity Investments	-	-	62,268	62,268
Unlisted Private Equity Investee Funds	-	-	599,386	599,386
Total Investments	<u>\$ 3,123</u>	<u>\$ 1,675</u>	<u>\$ 661,654</u>	<u>\$ 666,452</u>

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

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POOLED INVESTMENT PORTFOLIO

2006 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 62,268	\$ 599,386	\$ 661,654
Total gains or (losses) recognized in profit or loss	12,276	71,344	83,620
Purchases	-	13,369	13,369
Sales	(74,544)	(146,595)	(221,139)
Balance, end of year	\$ -	\$ 537,504	\$ 537,504
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (32,328)	\$ (18,379)	\$ (50,707)
	2013		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 51,944	\$ 533,446	\$ 585,390
Total gains or (losses) recognized in profit or loss	10,324	126,986	137,310
Purchases	-	17,726	17,726
Sales	-	(78,772)	(78,772)
Balance, end of year	\$ 62,268	\$ 599,386	\$ 661,654
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 10,324	\$ 87,442	\$ 97,766

During 2014 and 2013, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds categorized as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 537,504	Undjusted Net Asset Value	Net Asset Value	\$537,504	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
	2013				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 62,268	Market approach	EV / EBITDA	13.1x	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 599,386	Unadjusted Net Asset Value	Net Asset Value	\$599,386	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

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Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds and direct private equity investments were calculated by adjusting the respective underlying investee fund's net assets and value of private equity by 10%.

(in 000s)	2014	2013
Favourable	\$ 53,750	\$ 66,155
Unfavourable	\$ (53,750)	\$ (66,155)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2006 PRIVATE PLACEMENT FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$568,751,000 (2013 - \$666,421,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 29,383
Unlisted private equity investee funds administered by third party managers	10	\$ 24,930,440	\$ 537,504

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 3,123
Unlisted private equity investee funds administered by third party managers	12	\$ 29,402,771	\$ 661,754

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 747,407	\$ 1,032,295	\$ 1,040,991	Interest income		\$ 1	\$ 1
Liabilities					Change in fair value of investments:	8		
bcIMC funds management fees payable	4	26	19	24	Net realized gain		155,600	48,938
Other accounts payable		10	12	13	Net change in unrealized appreciation (depreciation)		(76,281)	105,586
		36	31	37	Total Revenue		79,320	154,525
Net assets attributable to holders of redeemable units					Expenses:			
		\$ 747,371	\$ 1,032,264	\$ 1,040,954	bcIMC funds management fees	4	320	247
<i>Number of redeemable units outstanding</i>	5	505,544	774,761	923,463	Audit fees		13	15
Net assets attributable to holders of redeemable units per unit					Pursuit cost		-	2
		\$ 1,478	\$ 1,332	\$ 1,127	Total operating expenses		333	264
<i>Contingent liability</i>					Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
<i>Unfunded committed capital</i>	6						78,987	154,261
	7				Distributions to holders of redeemable units:			
					From net investment income		-	-
					From net realized gains on investments		(155,845)	(48,674)
							(155,845)	(48,674)
Increase (decrease) in net assets attributable to holders of redeemable units							\$ (76,858)	\$ 105,587

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 1,032,264	\$ 1,040,954
Increase (decrease) in net assets attributable to holders of redeemable units	(76,858)	105,587
Redeemable unit transactions:		
Proceeds from units issued	5,063	9,808
Reinvestment of distributions	155,845	48,674
Amounts paid for units redeemed	<u>(368,943)</u>	<u>(172,759)</u>
Net decrease from redeemable unit transactions	<u>(208,035)</u>	<u>(114,277)</u>
Balance, end of year	<u>\$ 747,371</u>	<u>\$ 1,032,264</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (76,858)	\$ 105,587
Adjustments for:		
Interest income	(1)	(1)
Net realized gain from investments	(155,600)	(48,938)
Net change in unrealized (appreciation) depreciation from investments	76,281	(105,586)
Non cash distributions	155,845	48,674
Proceeds from sale of investments	369,340	173,028
Amounts paid for purchase of investments	(5,133)	(9,808)
bcIMC funds management fees payable	7	(5)
Other accounts payable	(2)	(1)
Interest received	<u>1</u>	<u>1</u>
	<u>363,880</u>	<u>162,951</u>
Financing activities:		
Proceeds from issue of redeemable units	5,063	9,808
Payments on redemption of redeemable units	<u>(368,943)</u>	<u>(172,759)</u>
	<u>(363,880)</u>	<u>(162,951)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 747,376	\$ 395,507	\$ 1,032,219	\$ 604,069
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>31</u>	<u>31</u>	<u>76</u>	<u>76</u>
	<u>31</u>	<u>31</u>	<u>76</u>	<u>76</u>
Total Investments	<u>\$ 747,407</u>	<u>\$ 395,538</u>	<u>\$ 1,032,295</u>	<u>\$ 604,145</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2007 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2007 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 56,762	7.6 %	\$ 261,777	25.4 %
Direct Private Debt Investments	38,075	5.1 %	36,475	3.5 %
Unlisted Private Equity Investee Funds	645,147	86.3 %	730,551	70.8 %
Foreign Currency Contracts	(2)	- %	-	- %
bcIMC Money Market Funds	6,514	0.9 %	3,334	0.3 %
Net Investment-Related Receivables	880	0.1 %	82	- %
	<u>\$ 747,376</u>	<u>100.0 %</u>	<u>\$ 1,032,219</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

The majority of the private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The maximum credit risk exposure is \$38,075,000 Cdn (2013 - \$36,475,000 Cdn).

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted equity and debt investments, which are generally illiquid. In addition, the Fund holds investments in private equity investee funds. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's remaining non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

The Fund holds debt investments in conjunction with equity investments in several private companies. As at December 31, the Fund invested in the following debt instruments:

INTEREST RATE RISK	2014		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 38,075	0.00 to 9.75%	2017 to 2037

INTEREST RATE RISK	2013		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 36,475	0.00% to 12.00%	2014 to 2037

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2014 and 2013, the Fund had no other assets or liabilities which change in value as a result of changes in the interest rates.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2007 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 121,005	16.2 %	\$ 117,493	11.4 %
United States Dollar	481,548	64.4 %	709,240	68.7 %
Net Exposure	\$ 602,553	80.6 %	\$ 826,733	80.1 %

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity, direct private debt and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to the Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$6,026,000 Cdn (2013 - \$8,267,000 Cdn), representing 0.8% of the Fund's net assets (2013 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 3,175	\$ 3,812
United States Dollar	64,476	86,652
	<u>\$ 67,651</u>	<u>\$ 90,464</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$677,000 Cdn (2013 - \$905,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2007 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's unlisted private equity, private debt and private equity investee fund investments are concentrated in the following industries:

**INDUSTRY SECTOR
(in 000s)**

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Consumer products private equity	\$ 38,790	5.2 %	\$ 191,649	18.6 %
Manufacturing private equity	24,412	3.3 %	22,788	2.2 %
Energy private equity	31,635	4.3 %	83,815	8.1 %
Total Direct Private Equity and Debt Investments	94,837	12.8 %	298,252	29.0 %
Total Unlisted Private Equity Investee Funds in diversified infrastructure	645,147	87.2 %	730,551	71.0 %
	<u>\$ 739,984</u>	<u>100.0 %</u>	<u>\$ 1,028,803</u>	<u>100.0 %</u>

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk (continued)

The Fund's direct private equity, direct private debt and private equity investee fund investments are concentrated in the following geographic regions:

**GEOGRAPHIC REGION
(in 000s)**

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Canada	\$ 31,635	4.3 %	\$ 83,815	8.1 %
Asia	-	- %	126,739	12.3 %
Latin America	13,749	1.9 %	21,106	2.1 %
Europe	49,453	6.7 %	66,592	6.5 %
Total Direct Private Equity and Debt Investments	94,837	12.8 %	298,252	29.0 %
Total Unlisted Private Equity Investee Funds in diversified infrastructure	645,147	87.2 %	730,551	71.0 %
	<u>\$ 739,984</u>	<u>100.0 %</u>	<u>\$ 1,028,803</u>	<u>100.0 %</u>

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$74,741,000 (2013 - \$103,222,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2007 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 880	\$ -	\$ 880
Foreign Currency Contracts	-	(2)	-	(2)
bcIMC Money Market Funds	6,545	-	-	6,545
Direct Private Equity Investments	-	-	56,762	56,762
Direct Private Debt Investments	-	-	38,075	38,075
Unlisted Private Equity Investee Funds	-	-	645,147	645,147
Total Investments	\$ 6,545	\$ 878	\$ 739,984	\$ 747,407

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 82	\$ -	\$ 82
bcIMC Money Market Funds	3,410	-	-	3,410
Direct Private Equity Investments	-	-	261,777	261,777
Direct Private Debt Investments	-	-	36,475	36,475
Unlisted Private Equity Investee Funds	-	-	730,551	730,551
Total Investments	\$ 3,410	\$ 82	\$ 1,028,803	\$ 1,032,295

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 261,777	\$ 36,475	\$ 730,551	\$ 1,028,803
Total gains or (losses) recognized in profit or loss	(44,987)	(936)	110,522	64,599
Purchases	-	2,536	22,396	24,932
Sales	(160,028)	-	(218,322)	(378,350)
Balance, end of year	\$ 56,762	\$ 38,075	\$ 645,147	\$ 739,984
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (176,653)	\$ (936)	\$ (21,109)	\$ (198,698)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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2007 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

	2013			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 277,186	\$ 28,854	\$ 704,461	\$ 1,010,501
Total gains or (losses) recognized in profit or loss	(8,878)	(3,283)	149,083	136,922
Purchases	-	10,904	27,231	38,135
Sales	(6,531)	-	(150,224)	(156,755)
Balance, end of year	\$ 261,777	\$ 36,475	\$ 730,551	\$ 1,028,803
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ -	\$ (3,283)	\$ 73,354	\$ 70,071

During 2014 and 2013, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 56,762	Market approach	EV / EBITDA	\$56,762	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt	\$ 38,075	Market approach	EV / EBITDA	\$38,075	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 573,595	Unadjusted Net Asset Value	Net Asset Value	\$573,595	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Fund	\$ 71,552	Adjusted Net Asset Value	Net Asset Value Fair Value Adjustment	\$70,024 \$1,528	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2007 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2013				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 261,777	Market approach	EV / EBITDA	\$261,777	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt	\$ 36,475	Market approach	EV / EBITDA	\$36,475	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 730,551	Unadjusted Net Asset Value	Net Asset Value	\$730,551	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value ("EV") and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.
- (iii) Fair value adjustment:
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

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**Fair Value Measurement Discussion (continued)
as at December 31**

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity and direct private debt investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds, direct private equity and direct private debt investments were calculated by adjusting the respective underlying investee fund's net assets, value of private equity and debt by 10%.

(in 000s)	2014	2013
Favourable	\$ 73,998	\$ 102,880
Unfavourable	\$ (73,998)	\$ (102,880)

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$747,376,000 (2013 - \$1,032,219,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 6,545
Unlisted private equity investee funds administered by third party managers	17	\$ 16,470,722	\$ 645,147

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2007 PRIVATE PLACEMENT FUND

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 3,410
Unlisted private equity investee funds administered by third party managers	17	\$ 19,462,085	\$ 730,551

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

2008 PRIVATE PLACEMENT FUND

(original signed by Gordon Fyfe)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 847,372	\$ 797,097
Increase in net assets attributable to holders of redeemable units	76,248	167,875
Redeemable unit transactions:		
Proceeds from units issued	28,671	44,968
Reinvestment of distributions	77,916	71,440
Amounts paid for units redeemed	<u>(174,351)</u>	<u>(234,008)</u>
Net decrease from redeemable unit transactions	<u>(67,764)</u>	<u>(117,600)</u>
Balance, end of year	<u>\$ 855,856</u>	<u>\$ 847,372</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 76,248	\$ 167,875
Adjustments for:		
Net realized gain from investments	(76,620)	(68,506)
Net change in unrealized appreciation from investments	(77,836)	(171,037)
Non cash distributions	77,916	71,440
Proceeds from sale of investments	174,691	317,528
Amounts paid for purchase of investments	(28,725)	(128,257)
bcIMC funds management fees payable	8	(2)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>145,680</u>	<u>189,040</u>
Financing activities:		
Proceeds from issue of redeemable units	28,671	44,968
Payments on redemption of redeemable units	<u>(174,351)</u>	<u>(234,008)</u>
	<u>(145,680)</u>	<u>(189,040)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 855,872	\$ 394,812	\$ 847,327	\$ 464,102
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>21</u>	<u>20</u>	<u>76</u>	<u>76</u>
	<u>21</u>	<u>20</u>	<u>76</u>	<u>76</u>
Total Investments	<u><u>\$ 855,893</u></u>	<u><u>\$ 394,832</u></u>	<u><u>\$ 847,403</u></u>	<u><u>\$ 464,178</u></u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2008 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2008 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 830,951	97.1 %	\$ 831,074	98.1 %
Foreign Currency Contracts	(3)	- %	-	- %
bcIMC Money Market Funds	9,409	1.1 %	16,266	1.9 %
Cash	15,515	1.8 %	-	- %
Net Investment-Related Receivables	-	- %	(13)	- %
	<u>\$ 855,872</u>	<u>100.0 %</u>	<u>\$ 847,327</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 433,627	50.7 %	\$ 424,453	50.1 %
United States Dollar	389,247	45.5 %	384,384	45.4 %
Net Exposure	<u>\$ 822,874</u>	<u>96.1 %</u>	<u>\$ 808,837</u>	<u>95.5 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2008 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$8,229,000 Cdn (2013 - \$8,088,000 Cdn), representing 1.0% of the Fund's net assets (2013 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 43,516	\$ 80,548
United States Dollar	76,578	125,823
	<u>\$ 120,094</u>	<u>\$ 206,371</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,201,000 Cdn (2013 - \$2,064,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$85,589,000 (2013 - \$84,740,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2008 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash	\$ -	\$ 15,515	\$ -	\$ 15,515
bcIMC Money Market Funds	9,430	-	-	9,430
Foreign Currency Contracts	-	(3)	-	(3)
Unlisted Private Equity Investee Funds	-	-	830,951	830,951
Total Investments	\$ 9,430	\$ 15,512	\$ 830,951	\$ 855,893

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ (13)	\$ -	\$ (13)
bcIMC Money Market Funds	16,342	-	-	16,342
Unlisted Private Equity Investee Funds	-	-	831,074	831,074
Total Investments	\$ 16,342	\$ (13)	\$ 831,074	\$ 847,403

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 831,074	\$ 831,074
Total gains or (losses) recognized in profit or loss	142,695	142,695
Purchases	57,518	57,518
Sales	(200,336)	(200,336)
Balance, end of year	\$ 830,951	\$ 830,951
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 22,941	\$ 22,941

	2013	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 782,786	\$ 782,786
Total gains or (losses) recognized in profit or loss	232,488	232,488
Purchases	96,094	96,094
Sales	(280,294)	(280,294)
Balance, end of year	\$ 831,074	\$ 831,074
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 77,169	\$ 77,169

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2008 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 780,446	Adjusted Net Asset Value	Net Asset Value	\$780,446	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 50,505	Adjusted Net Asset Value	Net Asset Value	\$30,784	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$19,721	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 831,074	Unadjusted Net Asset Value	Net Asset Value	\$831,074	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

Significant unobservable inputs are developed as follows:

- (ii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.
- (ii) Fair value adjustment:
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2008 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 83,095	\$ 83,107
Unfavourable	\$ (83,095)	\$ (83,107)

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$855,872,000 (2013 - \$847,327,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,160,208	\$ 9,430
Unlisted private equity investee funds administered by third party managers	18	\$ 46,782,689	\$ 830,951

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2008 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013			
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)	
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$	16,342
Unlisted private equity investee funds administered by third party managers	19	\$ 43,088,473	\$	831,074

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

2009 PRIVATE PLACEMENT FUND

(original signed by Gordon Fyfe)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 343,635	\$ 264,505
Increase in net assets attributable to holders of redeemable units	98,932	58,600
Redeemable unit transactions:		
Proceeds from units issued	63,278	45,492
Reinvestment of distributions	4,730	1,463
Amounts paid for units redeemed	<u>(19,353)</u>	<u>(26,425)</u>
Net increase from redeemable unit transactions	<u>48,655</u>	<u>20,530</u>
Balance, end of year	<u>\$ 491,222</u>	<u>\$ 343,635</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 98,932	\$ 58,600
Adjustments for:		
Net realized gain from investments	(5,435)	(3,326)
Net change in unrealized appreciation from investments	(99,037)	(57,748)
Non cash distributions	4,730	1,463
Proceeds from sale of investments	20,167	27,440
Amounts paid for purchase of investments	(63,284)	(45,492)
bcIMC funds management fees payable	4	(3)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>(43,925)</u>	<u>(19,067)</u>
Financing activities:		
Proceeds from issue of redeemable units	63,278	45,492
Payments on redemption of redeemable units	<u>(19,353)</u>	<u>(26,425)</u>
	<u>43,925</u>	<u>19,067</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair</u>	<u>Cost</u>	<u>Fair</u>	<u>Cost</u>
	<u>Value</u>		<u>Value</u>	
Private Equity Investments ¹:	\$ 491,241	\$ 295,832	\$ 343,628	\$ 247,256
Money Market Investments:				
Units in bcIMC Pooled Investment				
Portfolio				
Fund ST1	<u>5</u>	<u>5</u>	<u>29</u>	<u>29</u>
	<u>5</u>	<u>5</u>	<u>29</u>	<u>29</u>
Total Investments	<u>\$ 491,246</u>	<u>\$ 295,837</u>	<u>\$ 343,657</u>	<u>\$ 247,285</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2009 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2009 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 485,632	98.9 %	\$ 343,271	99.9 %
Foreign Currency Contracts	(1)	- %	-	- %
bclMC Money Market Funds	5,610	1.1 %	357	0.1 %
	<u>\$ 491,241</u>	<u>100.0 %</u>	<u>\$ 343,628</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
United States Dollar	\$ 491,224	100.0 %	\$ 343,598	100.0 %
Net Exposure	<u>\$ 491,224</u>	<u>100.0 %</u>	<u>\$ 343,598</u>	<u>100.0 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$4,912,000 Cdn (2013 - \$3,436,000 Cdn), representing 1.0% of the Fund's net assets (2013 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2009 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
United States Dollar	\$ 139,757	\$ 264,803
	<u>\$ 139,757</u>	<u>\$ 264,803</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,398,000 Cdn (2013 - \$2,648,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$49,125,000 (2013 - \$34,366,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2009 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bcIMC Money Market Funds	\$ 5,615	\$ -	\$ -	\$ 5,615
Foreign Currency Contracts	-	(1)	-	(1)
Unlisted Private Equity Investee Funds	-	-	485,632	485,632
Total Investments	\$ 5,615	\$ (1)	\$ 485,632	\$ 491,246

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
bcIMC Money Market Funds	\$ 386	\$ -	\$ -	\$ 386
Unlisted Private Equity Investee Funds	-	-	343,271	343,271
Total Investments	\$ 386	\$ -	\$ 343,271	\$ 343,657

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 343,271	\$ 343,271
Total gains or (losses) recognized in profit or loss	101,348	101,348
Purchases	106,485	106,485
Sales	(65,472)	(65,472)
Balance, end of year	\$ 485,632	\$ 485,632
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 78,771	\$ 78,771

	2013	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 263,248	\$ 263,248
Total gains or (losses) recognized in profit or loss	60,097	60,097
Purchases	60,264	60,264
Sales	(40,338)	(40,338)
Balance, end of year	\$ 343,271	\$ 343,271
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 49,127	\$ 49,127

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2009 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 485,632	Unadjusted Net Asset Value	Net Asset Value	\$485,632	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 343,271	Unadjusted Net Asset Value	Net Asset Value	\$343,271	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2009 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 48,563	\$ 34,327
Unfavourable	\$ (48,563)	\$ (34,327)

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$491,241,000 (2013 - \$343,268,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,160,208	\$ 5,615
Unlisted private equity investee funds administered by third party managers	11	\$ 25,879,752	\$ 485,632

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2009 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 386
Unlisted private equity investee funds administered by third party managers	11	\$ 15,682,621	\$ 343,271

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 281,824	\$ 178,893	\$ 113,265	Change in fair value of investments:	8		
					Net realized gain		2,021	362
					Net change in unrealized appreciation		41,219	26,743
					Total Revenue		43,240	27,105
Liabilities					Expenses:			
bcIMC funds management fees payable	4	10	9	10	bcIMC funds management fees	4	113	102
Other accounts payable		10	12	13	Audit fees		13	15
		20	21	23	Total operating expenses		126	117
Net assets attributable to holders of redeemable units					Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
		\$ 281,804	\$ 178,872	\$ 113,242			43,114	26,988
<i>Number of redeemable units outstanding</i>	5	450.828	335.517	252.562	Distributions to holders of redeemable units:			
Net assets attributable to holders of redeemable units per unit					From net investment income		-	-
		\$ 625	\$ 533	\$ 448	From net realized gains on investments		(1,419)	-
							(1,419)	-
<i>Contingent liability</i>	6				Increase in net assets attributable to holders of redeemable units			
<i>Unfunded committed capital</i>	7						\$ 41,695	\$ 26,988

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 178,872	\$ 113,242
Increase in net assets attributable to holders of redeemable units	41,695	26,988
Redeemable unit transactions:		
Proceeds from units issued	72,880	47,904
Reinvestment of distributions	1,419	-
Amounts paid for units redeemed	<u>(13,062)</u>	<u>(9,262)</u>
Net increase from redeemable unit transactions	<u>61,237</u>	<u>38,642</u>
Balance, end of year	<u>\$ 281,804</u>	<u>\$ 178,872</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 41,695	\$ 26,988
Adjustments for:		
Net realized gain from investments	(2,021)	(362)
Net change in unrealized appreciation from investments	(41,219)	(26,743)
Non cash distributions	1,419	-
Proceeds from sale of investments	14,881	9,382
Amounts paid for purchase of investments	(74,572)	(47,905)
bcIMC funds management fees payable	1	(1)
Other accounts payable	<u>(2)</u>	<u>(1)</u>
	<u>(59,818)</u>	<u>(38,642)</u>
Financing activities:		
Proceeds from issue of redeemable units	72,880	47,904
Payments on redemption of redeemable units	<u>(13,062)</u>	<u>(9,262)</u>
	<u>59,818</u>	<u>38,642</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 281,788	\$ 207,708	\$ 178,862	\$ 146,001
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	<u>36</u>	<u>36</u>	<u>31</u>	<u>31</u>
	<u>36</u>	<u>36</u>	<u>31</u>	<u>31</u>
Total Investments	<u>\$ 281,824</u>	<u>\$ 207,744</u>	<u>\$ 178,893</u>	<u>\$ 146,032</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2010 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2010 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 278,911	98.9 %	\$ 178,740	99.9 %
Foreign Currency Contracts	(9)	- %	-	- %
bcIMC Money Market Funds	486	0.2 %	122	0.1 %
Net Investment-Related Receivables	2,400	0.9 %	-	- %
	<u>\$ 281,788</u>	<u>100.0 %</u>	<u>\$ 178,862</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 115,287	40.9 %	\$ 87,583	49.0 %
United States Dollar	137,165	48.7 %	71,204	39.8 %
Net Exposure	<u>\$ 252,452</u>	<u>89.6 %</u>	<u>\$ 158,787</u>	<u>88.8 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$2,525,000 Cdn (2013 - \$1,588,000 Cdn), representing 0.9% of the Fund's net assets (2013 - 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2010 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 81,281	\$ 127,063
United States Dollar	91,519	142,861
	<u>\$ 172,800</u>	<u>\$ 269,924</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,728,000 Cdn (2013 - \$2,699,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$28,182,000 (2013 - \$17,889,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2010 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 2,400	\$ -	\$ 2,400
bcIMC Money Market Funds	522	-	-	522
Foreign Currency Contracts	-	(9)	-	(9)
Unlisted Private Equity Investee Funds	-	-	278,911	278,911
Total Investments	\$ 522	\$ 2,391	\$ 278,911	\$ 281,824

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
bcIMC Money Market Funds	\$ 153	\$ -	\$ -	\$ 153
Unlisted Private Equity Investee Funds	-	-	178,740	178,740
Total Investments	\$ 153	\$ -	\$ 178,740	\$ 178,893

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 178,740	\$ 178,740
Total gains or (losses) recognized in profit or loss	39,986	39,986
Purchases	82,401	82,401
Sales	(22,216)	(22,216)
Balance, end of year	\$ 278,911	\$ 278,911
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 32,191	\$ 32,191

	2013	
	Unlisted Private Equity Investee Funds	Total
(in 000s)		
Balance, beginning of year	\$ 111,142	\$ 111,142
Total gains or (losses) recognized in profit or loss	25,925	25,925
Purchases	51,715	51,715
Sales	(10,042)	(10,042)
Balance, end of year	\$ 178,740	\$ 178,740
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 23,956	\$ 23,956

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2010 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 278,911	Unadjusted Net Asset Value	Net Asset Value	\$278,911	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 178,740	Unadjusted Net Asset Value	Net Asset Value	\$178,740	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2010 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 27,891	\$ 17,874
Unfavourable	\$ (27,891)	\$ (17,874)

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$281,788,000 (2013 - \$178,862,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,160,208	\$ 522
Unlisted private equity investee funds administered by third party managers	9	\$ 13,525,815	\$ 278,911

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2010 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 153
Unlisted private equity investee funds administered by third party managers	9	\$ 8,069,969	\$ 178,740

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

2011 PRIVATE PLACEMENT FUND

(original signed by Gordon Fyfe)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 216,541	\$ 74,739
Increase in net assets attributable to holders of redeemable units	44,376	22,420
Redeemable unit transactions:		
Proceeds from units issued	163,286	126,518
Amounts paid for units redeemed	<u>(20,244)</u>	<u>(7,136)</u>
Net increase from redeemable unit transactions	<u>143,042</u>	<u>119,382</u>
Balance, end of year	<u>\$ 403,959</u>	<u>\$ 216,541</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 44,376	\$ 22,420
Adjustments for:		
Net realized (gain) loss from investments	(1,030)	1,570
Net change in unrealized appreciation from investments	(43,514)	(24,156)
Proceeds from sale of investments	22,741	8,728
Amounts paid for purchase of investments	(165,602)	(127,940)
bcIMC funds management fees payable	1	(3)
Other accounts payable	<u>(14)</u>	<u>(1)</u>
	<u>(143,042)</u>	<u>(119,382)</u>
Financing activities:		
Proceeds from issue of redeemable units	163,286	126,518
Payments on redemption of redeemable units	<u>(20,244)</u>	<u>(7,136)</u>
	<u>143,042</u>	<u>119,382</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 403,980	\$ 347,774	\$ 216,541	\$ 203,848
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>3</u>	<u>3</u>	<u>37</u>	<u>38</u>
	<u>3</u>	<u>3</u>	<u>37</u>	<u>38</u>
Total Investments	<u>\$ 403,983</u>	<u>\$ 347,777</u>	<u>\$ 216,578</u>	<u>\$ 203,886</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2011 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2011 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 1,354	0.3 %	\$ 4,406	2.0 %
Unlisted Private Equity Investee Funds	402,409	99.6 %	212,107	98.0 %
bclMC Money Market Funds	217	0.1 %	28	- %
	<u>\$ 403,980</u>	<u>100.0 %</u>	<u>\$ 216,541</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 10,406	2.6 %	\$ 2,857	1.3 %
Euro	156,181	38.7 %	72,930	33.7 %
United States Dollar	170,954	42.3 %	98,087	45.3 %
Net Exposure	<u>\$ 337,541</u>	<u>83.6 %</u>	<u>\$ 173,874</u>	<u>80.3 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to the Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$3,375,000 Cdn (2013 - \$1,739,000 Cdn), representing 0.8% of the Fund's net assets (2013 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2011 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Australian Dollar	\$ 22,879	\$ 33,391
Euro	199,880	318,739
United States Dollar	104,714	160,712
	<u>\$ 327,473</u>	<u>\$ 512,842</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$3,275,000 Cdn (2013 - \$5,128,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's unlisted private equity and private equity investee fund investments are concentrated in the following industries:

**Financial Risk Management Discussion (continued)
as at December 31**

INDUSTRY SECTOR (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Materials private equity	\$ 1,354	0.3 %	\$ 4,406	2.0 %
Total Direct Private Equity Investments:	1,354	0.3 %	4,406	2.0 %
Total Unlisted Private Equity Investee Funds in diversified private equity	402,409	99.7 %	212,107	98.0 %
	<u>\$ 403,763</u>	<u>100.0 %</u>	<u>\$ 216,513</u>	<u>100.0 %</u>

The Fund's direct private equity and private equity investee fund investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Canada	\$ 1,354	0.3 %	\$ 4,406	2.0 %
Total Direct Private Equity Investments:	1,354	0.3 %	4,406	2.0 %
Total Unlisted Private Equity Investee Funds in diversified private equity	402,409	99.7 %	212,107	98.0 %
	<u>\$ 403,763</u>	<u>100.0 %</u>	<u>\$ 216,513</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2011 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$40,398,000 (2013 - \$21,658,000) or 10.0% (2013 – 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Fair Value Measurement Discussion
as at December 31

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2014			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 220	\$ -	\$ -	\$ 220
Direct Private Equity Investments		-	-	1,354	1,354
Unlisted Private Equity Investee Funds		-	-	402,409	402,409
Total Investments		\$ 220	\$ -	\$ 403,763	\$ 403,983

		2013			
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 65	\$ -	\$ -	\$ 65
Direct Private Equity Investments		-	-	4,406	4,406
Unlisted Private Equity Investee Funds		-	-	212,107	212,107
Total Investments		\$ 65	\$ -	\$ 216,513	\$ 216,578

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2011 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 4,406	\$ 212,107	\$ 216,513
Total gains or (losses) recognized in profit or loss	(3,052)	45,866	42,814
Purchases	-	178,817	178,817
Sales	-	(34,381)	(34,381)
Balance, end of year	\$ 1,354	\$ 402,409	\$ 403,763
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (3,052)	\$ 40,003	\$ 36,951

	2013		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 1,957	\$ 66,744	\$ 68,701
Total gains or (losses) recognized in profit or loss	2,449	19,424	21,873
Purchases	-	134,158	134,158
Sales	-	(8,219)	(8,219)
Balance, end of year	\$ 4,406	\$ 212,107	\$ 216,513
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 2,449	\$ 19,229	\$ 21,678

During 2014 and 2013, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 1,354	Market approach	EV / EBITDA	6.0x	The estimated fair value would increase (decrease) if the EV / EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 402,409	Unadjusted Net Asset Value	Net Asset Value	\$402,409	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 4,406	Market approach	EV/EBITDA	6.0x	The estimated fair value would increase (decrease) if the EV / EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 212,107	Unadjusted Net Asset Value	Net Asset Value	\$212,107	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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2011 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.

**Fair Value Measurement Discussion (continued)
as at December 31**

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds and direct private equity investments were calculated by adjusting the respective underlying investee fund's net assets and value of private equity by 10%.

(in 000s)	2014	2013
Favourable	\$ 40,376	\$ 21,651
Unfavourable	\$ (40,376)	\$ (21,651)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2011 PRIVATE PLACEMENT FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$403,980,000 (2013 - \$216,541,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 220
Unlisted private equity investee funds administered by third party managers	12	\$ 9,330,096	\$ 402,409

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 65
Unlisted private equity investee funds administered by third party managers	12	\$ 5,050,044	\$ 212,107

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)			
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 432,083	\$ 210,947	\$ 84,960	Interest income		\$ -	\$ 2
Liabilities					Change in fair value of investments:	8		
bcIMC funds management fees payable	4	12	11	220	Net realized gain		1,316	3,257
Other accounts payable		10	20	13	Net change in unrealized appreciation		50,761	52,748
		22	31	233	Total Revenue		52,077	56,007
Net assets attributable to holders of redeemable units					Expenses:			
		\$ 432,061	\$ 210,916	\$ 84,727	bcIMC funds management fees	4	130	556
<i>Number of redeemable units outstanding</i>	5	2,511.701	1,360.524	765.745	Audit fees		6	23
Net assets attributable to holders of redeemable units per unit					Pursuit cost		-	48
		\$ 172	\$ 155	\$ 111	Total operating expenses		136	627
<i>Contingent liability</i>	6				Increase in net assets attributable to holders of redeemable units from operations excluding distributions		51,941	55,380
<i>Unfunded committed capital</i>	7				Distributions to holders of redeemable units:			
					From net investment income		-	-
					From net realized gains on investments		(1,189)	(659)
							(1,189)	(659)
Increase in net assets attributable to holders of redeemable units							\$ 50,752	\$ 54,721

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 210,916	\$ 84,727
Increase in net assets attributable to holders of redeemable units	50,752	54,721
Redeemable unit transactions:		
Proceeds from units issued	182,239	103,661
Reinvestment of distributions	1,189	659
Amounts paid for units redeemed	<u>(13,035)</u>	<u>(32,852)</u>
Net increase from redeemable unit transactions	<u>170,393</u>	<u>71,468</u>
Balance, end of year	<u>\$ 432,061</u>	<u>\$ 210,916</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 50,752	\$ 54,721
Adjustments for:		
Interest income	-	(2)
Net realized gain from investments	(1,316)	(3,257)
Net change in unrealized appreciation from investments	(50,761)	(52,748)
Non cash distributions	1,189	659
Proceeds from sale of investments	13,220	33,681
Amounts paid for purchase of investments	(182,279)	(103,663)
bcIMC funds management fees payable	1	(209)
Other accounts payable	(10)	7
Interest received	-	2
	<u>(169,204)</u>	<u>(70,809)</u>
Financing activities:		
Proceeds from issue of redeemable units	182,239	103,661
Payments on redemption of redeemable units	<u>(13,035)</u>	<u>(32,852)</u>
	<u>169,204</u>	<u>70,809</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 432,081	\$ 331,108	\$ 210,881	\$ 160,669
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	<u>2</u>	<u>2</u>	<u>66</u>	<u>66</u>
	<u>2</u>	<u>2</u>	<u>66</u>	<u>66</u>
Total Investments	<u>\$ 432,083</u>	<u>\$ 331,110</u>	<u>\$ 210,947</u>	<u>\$ 160,735</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2012 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2012 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 48,037	11.1 %	\$ 43,068	20.4 %
Unlisted Private Equity Investee Funds	366,477	84.8 %	167,784	79.6 %
Foreign Currency Contracts	(5)	- %	-	- %
bcIMC Money Market Funds	17,572	4.1 %	29	- %
	<u>\$ 432,081</u>	<u>100.0 %</u>	<u>\$ 210,881</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
British Pound Sterling	\$ 48,037	11.1 %	\$ 43,068	20.4 %
Euro	180,718	41.8 %	86,813	41.2 %
United States Dollar	181,983	42.1 %	71,734	34.0 %
Net Exposure	<u>\$ 410,738</u>	<u>95.1 %</u>	<u>\$ 201,615</u>	<u>95.6 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to the Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$4,107,000 Cdn (2013 - \$2,017,000 Cdn), representing 1.0% of the Fund's net assets (2013 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2012 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 88,530	\$ 192,712
United States Dollar	328,448	393,052
	<u>\$ 416,978</u>	<u>\$ 585,764</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$4,170,000 Cdn (2013 - \$5,858,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's unlisted private equity and private equity investee fund investments are concentrated in the following industries:

Financial Risk Management Discussion (continued)
as at December 31

INDUSTRY SECTOR (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Services private equity	\$ 48,037	11.6 %	\$ 43,068	20.4 %
Total Direct Private Equity Investments:	48,037	11.6 %	43,068	20.4 %
Total Unlisted Private Equity Investee Funds in diversified private equity	366,477	88.4 %	167,784	79.6 %
	<u>\$ 414,514</u>	<u>100.0 %</u>	<u>\$ 210,852</u>	<u>100.0 %</u>

The Fund's direct private equity and private equity investee fund investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 48,037	11.6 %	\$ 43,068	20.4 %
Total Direct Private Equity Investments:	48,037	11.6 %	43,068	20.4 %
Total Unlisted Private Equity Investee Funds in diversified private equity	366,477	88.4 %	167,784	79.6 %
	<u>\$ 414,514</u>	<u>100.0 %</u>	<u>\$ 210,852</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2012 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$43,208,000 (2013 - \$21,095,000) or 10.0% (2013 – 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Fair Value Measurement Discussion
as at December 31

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

2014				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bcIMC Money Market Funds	\$ 17,574	\$ -	\$ -	\$ 17,574
Foreign Currency Contracts	-	(5)	-	(5)
Direct Private Equity Investments	-	-	48,037	48,037
Unlisted Private Equity Investee Funds	-	-	366,477	366,477
Total Investments	\$ 17,574	\$ (5)	\$ 414,514	\$ 432,083

2013				
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
bcIMC Money Market Funds	\$ 95	\$ -	\$ -	\$ 95
Direct Private Equity Investments	-	-	43,068	43,068
Unlisted Private Equity Investee Funds	-	-	167,784	167,784
Total Investments	\$ 95	\$ -	\$ 210,852	\$ 210,947

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2012 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 43,068	\$ 167,784	\$ 210,852
Total gains or (losses) recognized in profit or loss	4,969	43,357	48,326
Purchases	-	191,865	191,865
Sales	-	(36,529)	(36,529)
Balance, end of year	\$ 48,037	\$ 366,477	\$ 414,514
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 4,969	\$ 36,678	\$ 41,647
	2013		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 35,729	\$ 42,236	\$ 77,965
Total gains or (losses) recognized in profit or loss	18,328	28,760	47,088
Purchases	-	102,080	102,080
Sales	(10,989)	(5,292)	(16,281)
Balance, end of year	\$ 43,068	\$ 167,784	\$ 210,852
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 17,500	\$ 28,582	\$ 46,082

During 2014 and 2013, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds categorized as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 48,037	Market approach	EV / EBITDA	\$48,037	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 366,477	Unadjusted Net Asset Value	Net Asset Value	\$366,477	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
	2013				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 43,068	Market approach	EV / EBITDA	\$43,068	The estimated fair value would increase (decrease) if the EV / EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 167,784	Unadjusted Net Asset Value	Net Asset Value	\$167,784	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2012 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds and direct private equity investments were calculated by adjusting the respective underlying investee fund's net assets and value of private equity by 10%.

(in 000s)	2014	2013
Favourable	\$ 41,451	\$ 21,085
Unfavourable	\$ (41,451)	\$ (21,085)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2012 PRIVATE PLACEMENT FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$432,081,000 (2013 - \$210,881,000) is included within Private Equity Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,160,208	\$ 17,574
Unlisted private equity investee funds administered by third party managers	9	\$ 10,032,803	\$ 366,477

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 95
Unlisted private equity investee funds administered by third party managers	8	\$ 3,928,754	\$ 167,784

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

Statement of Financial Position					Statement of Comprehensive Income			
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)			
	Note	December 31, 2014	December 31 2013 <i>(note 12)</i>	March 4, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Period Ended December 31, 2013 <i>(note 12)</i>
Assets					Revenue:			
Investments		\$ 418,558	\$ 204,461	\$ -	Interest income		\$ 1	\$ 3
Liabilities					Change in fair value of investments:	8		
bcIMC funds management fees payable	4	13	181	-	Net realized gain (loss)		5,865	(75)
Other accounts payable		10	11	-	Net change in unrealized appreciation		72,057	55,793
		23	192	-	Total Revenue		77,923	55,721
Net assets attributable to holders of redeemable units					Expenses:			
		\$ 418,535	\$ 204,269	\$ -	bcIMC funds management fees	4	691	1,681
<i>Number of redeemable units outstanding</i>	5	256.780	150.298	-	Audit fees		14	16
Net assets attributable to holders of redeemable units per unit					Legal fees		1	-
		\$ 1,630	\$ 1,359	\$ -	Pursuit cost		133	477
<i>Contingent liability</i>	6				Total operating expenses		839	2,174
<i>Unfunded committed capital</i>	7				Increase in net assets attributable to holders of redeemable units from operations excluding distributions		77,084	53,547
					Distributions to holders of redeemable units:			
					From net investment income		-	-
					From net realized gains on investments		(2,858)	-
							(2,858)	-
					Increase in net assets attributable to holders of redeemable units		\$ 74,226	\$ 53,547

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Period Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of period	\$ 204,269	\$ -
Increase in net assets attributable to holders of redeemable units	74,226	53,547
Redeemable unit transactions:		
Proceeds from units issued	186,632	164,476
Reinvestment of distributions	2,858	-
Amounts paid for units redeemed	<u>(49,450)</u>	<u>(13,754)</u>
Net increase from redeemable unit transactions	<u>140,040</u>	<u>150,722</u>
Balance, end of period	<u>\$ 418,535</u>	<u>\$ 204,269</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Period Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 74,226	\$ 53,547
Adjustments for:		
Interest income	(1)	(3)
Net realized (gain) loss from investments	(5,865)	75
Net change in unrealized appreciation from investments	(72,057)	(55,793)
Non cash distributions	2,858	-
Proceeds from sale of investments	50,511	15,739
Amounts paid for purchase of investments	(186,686)	(164,482)
bcIMC funds management fees payable	(168)	181
Other accounts payable	(1)	11
Interest received	1	3
	<u>(137,182)</u>	<u>(150,722)</u>
Financing activities:		
Proceeds from issue of redeemable units	186,632	164,476
Payments on redemption of redeemable units	<u>(49,450)</u>	<u>(13,754)</u>
	<u>137,182</u>	<u>150,722</u>
Net increase (decrease) in cash	-	-
Cash, beginning of period	<u>-</u>	<u>-</u>
Cash, end of period	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 418,387	\$ 290,537	\$ 204,258	\$ 148,465
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>171</u>	<u>171</u>	<u>203</u>	<u>203</u>
	<u>171</u>	<u>171</u>	<u>203</u>	<u>203</u>
Total Investments	<u>\$ 418,558</u>	<u>\$ 290,708</u>	<u>\$ 204,461</u>	<u>\$ 148,668</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2013 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2013 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 81,864	19.5 %	\$ 18,611	9.1 %
Direct Private Debt Investments	17,385	4.2 %	15,649	7.7 %
Unlisted Private Equity Investee Funds	289,603	69.2 %	146,075	71.5 %
bcIMC Money Market Funds	29,523	7.1 %	23,919	11.7 %
Cash	11	- %	-	- %
Net Investment-Related Receivables	1	- %	4	- %
	<u>\$ 418,387</u>	<u>100.0 %</u>	<u>\$ 204,258</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

The majority of the private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The maximum credit risk exposure is \$17,385,000 Cdn (2013 - \$15,649,000 Cdn).

**Financial Risk Management Discussion (continued)
as at December 31**

Liquidity Risk

The Fund's financial assets include unlisted equity and debt investments, which are generally illiquid. In addition, the Fund holds investments in private equity investee funds. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's remaining non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

The Fund holds debt investments in conjunction with equity investments in several private companies. As at December 31, the Fund invested in the following debt instruments:

	2014		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 17,385	12%	2020
	2013		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 15,649	12%	2020

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2014 and 2013, the Fund had no other assets or liabilities which change in value as a result of changes in the interest rates.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2013 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014		2013	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 18,630	4.5 %	\$ 35,312	17.3 %
Euro	54,831	13.1 %	18,974	9.3 %
United States Dollar	292,455	69.9 %	100,139	49.0 %
Net Exposure	<u>\$ 365,916</u>	<u>87.5 %</u>	<u>\$ 154,425</u>	<u>75.6 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity, direct private debt and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to the Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$3,659,000 Cdn (2013 - \$1,544,000 Cdn), representing 0.9% of the Fund's net assets (2013 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 203,935	\$ 256,213
United States Dollar	486,059	588,684
	<u>\$ 689,994</u>	<u>\$ 844,897</u>

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$6,900,000 Cdn (2013 - \$8,449,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's unlisted private equity, private debt and private equity investee fund investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Industrials private equity	\$ 99,249	25.5 %	\$ 34,260	19.0 %
Total Direct Private Equity and Debt Investments	99,249	25.5 %	34,260	19.0 %
Total Diversified Unlisted Private Equity Investee Funds	289,603	74.5 %	146,075	81.0 %
	<u>\$ 388,852</u>	<u>100.0 %</u>	<u>\$ 180,335</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2013 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

The Fund's direct private equity, direct private debt and private equity investee fund investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION
(in 000s)

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Canada	\$ 23,362	6.0 %	\$ 25,915	14.4 %
Asia	13,342	3.4 %	8,345	4.6 %
United States	62,545	16.1 %	-	- %
Total Direct Private Equity and Debt Investments	99,249	25.5 %	34,260	19.0 %
Total Unlisted Private Equity Investee Funds in diversified infrastructure	289,603	74.5 %	146,075	81.0 %
	<u>\$ 388,852</u>	<u>100.0 %</u>	<u>\$ 180,335</u>	<u>100.0 %</u>

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$41,856,000 (2013 - \$20,446,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Fair Value Measurement Discussion
as at December 31

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash	\$ -	\$ 11	\$ -	\$ 11
Net Investment-Related Receivables	-	1	-	1
bcIMC Money Market Funds	29,694	-	-	29,694
Direct Private Equity Investments	-	-	81,864	81,864
Direct Private Debt Investments	-	-	17,385	17,385
Unlisted Private Equity Investee Funds	-	-	289,603	289,603
Total Investments	<u>\$ 29,694</u>	<u>\$ 1</u>	<u>\$ 388,852</u>	<u>\$ 418,558</u>

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 4	\$ -	\$ 4
bcIMC Money Market Funds	24,122	-	-	24,122
Direct Private Equity Investments	-	-	18,611	18,611
Direct Private Debt Investments	-	-	15,649	15,649
Unlisted Private Equity Investee Funds	-	-	146,075	146,075
Total Investments	<u>\$ 24,122</u>	<u>\$ 4</u>	<u>\$ 180,335</u>	<u>\$ 204,461</u>

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2013 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 18,611	\$ 15,649	\$ 146,075	\$ 180,335
Total gains or (losses) recognized in profit or loss	15,893	(131)	17,432	33,194
Purchases	47,360	1,867	154,170	203,397
Sales	-	-	(28,074)	(28,074)
Balance, end of year	<u>\$ 81,864</u>	<u>\$ 17,385</u>	<u>\$ 289,603</u>	<u>\$ 388,852</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 15,893</u>	<u>\$ (131)</u>	<u>\$ 19,446</u>	<u>\$ 35,208</u>

Fair Value Measurement Discussion (continued)
as at December 31

	2013			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of period	\$ -	\$ -	\$ -	\$ -
Total gains or (losses) recognized in profit or loss	571	97	55,182	55,850
Purchases	18,040	15,552	119,106	152,698
Sales	-	-	(28,213)	(28,213)
Balance, end of period	<u>\$ 18,611</u>	<u>\$ 15,649</u>	<u>\$ 146,075</u>	<u>\$ 180,335</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 571</u>	<u>\$ 97</u>	<u>\$ 54,090</u>	<u>\$ 54,758</u>

During 2014 and 2013, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2013 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt and unlisted private equity investee funds categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 81,864	Market approach	EV / EBITDA	7.4x-14.1x	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt	\$ 17,385	Market approach	EV / EBITDA	7.4x	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 281,960	Unadjusted Net Asset Value	Net Asset Value	\$281,960	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Fund	\$ 7,643	Adjusted Net Asset Value	Net Asset Value Fair Value Adjustment	\$9,795 \$(2,152)	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

**Fair Value Measurement Discussion (continued)
as at December 31**

2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 18,610	Market approach	EV / EBITDA	\$37,585	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt	\$ 15,649	Market approach	EV / EBITDA	\$15,649	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 146,075	Unadjusted Net Asset Value	Net Asset Value	\$146,075	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2013 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (iii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.
- (ii) Fair value adjustment:
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

**Fair Value Measurement Discussion (continued)
as at December 31**

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity and direct private debt investments, bcIMC management engages third party independent valutors to estimate the fair market value. The valutors produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds, direct private equity and direct private debt investments were calculated by adjusting the respective underlying investee fund's net assets, value of private equity and debt by 10%.

(in 000s)	2014	2013
Favourable	\$ 38,885	\$ 18,033
Unfavourable	\$ (38,885)	\$ (18,033)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2013 PRIVATE PLACEMENT FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$418,387,000 (2013 - \$204,258,000) is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 26,694
Unlisted private equity investee funds administered by third party managers	12	\$ 14,473,037	\$ 289,604

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 24,112
Unlisted private equity investee funds administered by third party managers	5	\$ 5,699,434	\$ 146,075

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands *except number of units*)

	Note	December 31, 2014 (note 1)
Assets		
Investments		<u>\$ 179,453</u>
Liabilities		
bcIMC funds management fees payable	4	306
Other accounts payable		<u>10</u>
		<u>316</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 179,137</u></u>
<i>Number of redeemable units outstanding</i>	5	4.786
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 37,429</u></u>
<i>Contingent liability</i>	6	
<i>Unfunded committed capital</i>	7	

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Period Ended December 31, 2014 (note 1)
Revenue:		
Interest income		\$ 4
Change in fair value of investments:	8	
Net realized loss		(300)
Net change in unrealized appreciation		<u>13,515</u>
Total Revenue		<u>13,219</u>
Expenses:		
bcIMC funds management fees	4	2,536
Audit fees		14
Legal fees		2
Pursuit cost		<u>114</u>
Total operating expenses		<u>2,666</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>10,553</u>
Distributions to holders of redeemable units:		
From net investment income		-
From net realized gains on investments		<u>-</u>
		<u>-</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 10,553</u></u>

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Period Ended December 31, 2014 <i>(note 1)</i>
Balance, beginning of period	\$ -
Increase in net assets attributable to holders of redeemable units	10,553
Redeemable unit transactions:	
Proceeds from units issued	174,459
Amounts paid for units redeemed	<u>(5,875)</u>
Net increase from redeemable unit transactions	<u>168,584</u>
Balance, end of period	<u>\$ 179,137</u>

Statement of Cash Flows
(all amounts in thousands)

	Period Ended December 31, 2014 <i>(note 1)</i>
Operating activities:	
Increase in net assets attributable to holders of redeemable units	\$ 10,553
Adjustments for:	
Interest income	(4)
Net realized loss from investments	300
Net change in unrealized appreciation from investments	(13,515)
Proceeds from sale of investments	8,226
Amounts paid for purchase of investments	(174,464)
bcIMC funds management fees payable	306
Other accounts payable	10
Interest received	4
	<u>(168,584)</u>
Financing activities:	
Proceeds from issue of redeemable units	174,459
Payments on redemption of redeemable units	<u>(5,875)</u>
	<u>168,584</u>
Net increase (decrease) in cash	-
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014 (note 1)	
	Fair Value	Cost
Private Equity Investments ¹:	\$ 178,859	\$ 165,343
Money Market Investments:		
Units in bcIMC Pooled Investment Portfolio		
Fund ST1	594	595
	<u>594</u>	<u>595</u>
Total Investments	<u>\$ 179,453</u>	<u>\$ 165,938</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2014 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2014 Private Placement Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014	
	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 178,834	100.0 %
bcIMC Money Market Funds	25	- %
	<u>\$ 178,859</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)
as at December 31**

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2014	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 29,224	16.3 %
United States Dollar	149,616	83.5 %
Net Exposure	<u>\$ 178,840</u>	<u>99.8 %</u>

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$1,788,000 Cdn, representing 1.0% of the Fund's net assets. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2014 PRIVATE PLACEMENT FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014
Euro	\$ 129,502
United States Dollar	408,571
	<u>\$ 538,073</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$5,381,000 Cdn. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

Other Price Risk

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. The investments are diversified globally. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$17,945,000 or 10.0% of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bcIMC Money Market Funds	\$ 619	\$ -	\$ -	\$ 619
Unlisted Private Equity Investee Funds	-	-	178,834	178,834
Total Investments	<u>\$ 619</u>	<u>\$ -</u>	<u>\$ 178,834</u>	<u>\$ 179,453</u>

During 2014, there were no significant transfers between Level 1 and Level 2.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2014 PRIVATE PLACEMENT FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

(in 000s)	2014	
	Unlisted Private Equity Investee Funds	Total
Balance, beginning of period	\$ -	\$ -
Total gains or (losses) recognized in profit or loss	13,508	13,508
Purchases	171,216	171,216
Sales	(5,890)	(5,890)
Balance, end of period	<u>\$ 178,834</u>	<u>\$ 178,834</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 13,639</u>	<u>\$ 13,639</u>

During 2014, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 29,484	Market approach	EV / EBITDA	\$29,484	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 149,350	Unadjusted Net Asset Value	Net Asset Value	\$149,350	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2014 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant unobservable inputs are developed as follows:

(i) Enterprise Value (“EV”) and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if: the valuations of unlisted private equity investee funds were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2014
Favourable	\$ 17,883
Unfavourable	\$ (17,883)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

2014 PRIVATE PLACEMENT FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$178,859,000, is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,208	\$ 619
Unlisted private equity investee funds administered by third party managers	8	\$ 1,344,549	\$ 149,350

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

STRATEGIC INV 100 FOREIGN PP FUND

Statement of Financial Position

(all amounts in thousands *except number of units*)

	Note	December 31, 2014	December 31, 2013 (note 12)	January 1, 2013 (note 12)
Assets				
Investments		\$ 3,740,828	\$ 3,371,326	\$ 3,283,415
Liabilities				
bcIMC funds management fees payable	4	343	280	404
Other accounts payable		19	17	16
		<u>362</u>	<u>297</u>	<u>420</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,740,466</u>	<u>\$ 3,371,029</u>	<u>\$ 3,282,995</u>
<i>Number of redeemable units outstanding</i>	5	<i>2,010.916</i>	<i>1,765.104</i>	<i>1,555.065</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,860</u>	<u>\$ 1,910</u>	<u>\$ 2,111</u>
<i>Contingent liability</i>	6			
<i>Unfunded committed capital</i>	7			

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2014	Year Ended December 31, 2013 (note 12)
Revenue:			
Interest income		\$ 9,588	\$ 6,805
Dividend income		323,079	598,925
Other income		-	46
Change in fair value of investments and derivatives:	8		
Net realized loss		(81,080)	(18,685)
Net change in unrealized appreciation (depreciation)		<u>95,517</u>	<u>(241,604)</u>
Total Revenue		<u>347,104</u>	<u>345,487</u>
Expenses:			
bcIMC funds management fees	4	4,041	3,618
Administrative fees		19	11
Audit fees		13	15
Legal fees		74	17
Pursuit cost		1,916	2,334
Withholding taxes		<u>1,452</u>	<u>1,020</u>
Total operating expenses		<u>7,515</u>	<u>7,015</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>339,589</u>	<u>338,472</u>
Distributions to holders of redeemable units:			
From net investment income		(496,381)	(598,761)
From net realized gains on investments		(17,834)	(4,654)
Return of capital		<u>-</u>	<u>(25,252)</u>
		<u>(514,215)</u>	<u>(628,667)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (174,626)</u>	<u>\$ (290,195)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

STRATEGIC INV 100 FOREIGN PP FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 3,371,029	\$ 3,282,995
Decrease in net assets attributable to holders of redeemable units	(174,626)	(290,195)
Redeemable unit transactions:		
Proceeds from units issued	447,740	378,229
Reinvestment of distributions	96,323	-
Amounts paid for units redeemed	-	-
Net increase from redeemable unit transactions	544,063	378,229
Balance, end of year	\$ 3,740,466	\$ 3,371,029

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (174,626)	\$ (290,195)
Adjustments for:		
Interest income	(9,588)	(6,805)
Dividend income	(323,079)	(598,925)
Withholding taxes	1,452	1,020
Net realized loss from investments and derivatives	81,080	18,685
Net change in unrealized (appreciation) depreciation from investments and derivatives	(95,517)	241,604
Non cash distributions	514,215	628,667
Proceeds from sale of investments	101,630	57,665
Amounts paid for purchase of investments	(456,695)	(405,865)
bcIMC funds management fees payable	63	(124)
Other accounts payable	2	1
Interest received	9,588	6,805
Dividends received	323,079	598,925
Withholding taxes paid	(1,452)	(1,020)
	(29,848)	250,438
Financing activities:		
Proceeds from issue of redeemable units	447,740	378,229
Distributions paid to holders of redeemable units	(417,892)	(628,667)
	29,848	(250,438)
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

STRATEGIC INV 100 FOREIGN PP FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 3,740,163	\$ 3,227,113	\$ 3,370,953	\$ 2,953,420
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	664	664	372	372
Fund ST3	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
	<u>665</u>	<u>665</u>	<u>373</u>	<u>373</u>
Total Investments	<u><u>\$ 3,740,828</u></u>	<u><u>\$ 3,227,778</u></u>	<u><u>\$ 3,371,326</u></u>	<u><u>\$ 2,953,793</u></u>

¹ The private equity investments are held through private corporations and limited partnerships.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Infrastructure Funds are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Strategic Inv 100 Foreign PP Fund.

The Fund holds its private equity and debt investments through private corporations and limited partnerships. The private corporations and limited partnerships hold the following net assets:

(in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 2,366,438	63.3 %	\$ 2,248,338	66.8 %
Direct Private Debt Investments	416,100	11.1 %	319,942	9.5 %
Unlisted Private Equity Investee Funds	958,816	25.6 %	873,662	25.9 %
Foreign Currency Contracts	(9)	- %	(45,586)	(1.4)%
bcIMC Money Market Funds	82,421	2.2 %	70,378	2.1 %
Debt Issued	(112,243)	(3.0)%	(102,965)	(3.1)%
Net Investment-Related Receivables	28,640	0.8 %	7,184	0.2 %
	<u>\$ 3,740,163</u>	<u>100.0 %</u>	<u>\$ 3,370,953</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and limited partnerships and their investing activities have been considered.

**Financial Risk Management Discussion (continued)
as at December 31**

Credit Risk

The majority of the private debt investments are in closely held private companies where the Fund has a significant ownership percentage. Due to the private nature of the debt, it is not subject to rating by a rating agency. The maximum credit risk exposure is \$416,100,000 Cdn (2013 - \$319,942,000 Cdn).

Liquidity Risk

The Fund's financial assets include unlisted equity and debt investments, which are generally illiquid. In addition, the Fund holds investments in private equity investee funds. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's remaining non-derivative liabilities are due within three months of the year-end of the Fund.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

The Fund holds debt investments in conjunction with equity investments in several private companies. As at December 31, the Fund invested in the following debt instruments:

2014			
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 416,100	8.51% to 11.00%	2019 to 2021
2013			
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 319,942	8.51% to 11.00%	2019 to 2021

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2014 and 2013, the Fund had no other assets or liabilities which change in value as a result of changes in the interest rates.

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

2014				
CURRENCY (in 000s)	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 64,322	\$ -	\$ 64,322	1.7 %
British Pound Sterling	444,052	-	444,052	11.9 %
Euro	679,425	-	679,425	18.2 %
United States Dollar	2,108,490	(21,000)	2,087,490	55.8 %
Net Foreign Exchange Exposure	\$ 3,296,289	\$ (21,000)	\$ 3,275,289	87.6 %

2013				
CURRENCY (in 000s)	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 61,116	\$ -	\$ 61,116	1.8 %
British Pound Sterling	381,443	-	381,443	11.3 %
Euro	677,901	(343,045)	334,856	9.9 %
United States Dollar	1,592,938	(581,692)	1,011,246	30.1 %
Net Foreign Exchange Exposure	\$ 2,713,398	\$ (924,737)	\$ 1,788,661	53.1 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk (continued)

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity, direct private debt and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to the Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$32,753,000 Cdn (2013 - \$17,887,000 Cdn), representing 0.9 percent of the Fund's net assets (2013 - 0.5 percent). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Other Price Risk section provides additional disclosure on several investments denominated in United States dollars and domiciled in different jurisdictions.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2014	2013
Euro	\$ 130,028	\$ 151,813
United States Dollar	1,312,828	486,303
	<u>\$ 1,442,856</u>	<u>\$ 638,116</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$14,428,560 Cdn (2013 - \$6,381,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk

The investments are concentrated in the power, utility and energy infrastructure sectors in Canada, Europe, the United States, Australia, Brazil and Chile. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's unlisted private equity, private debt and private equity investee fund investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Coal infrastructure	\$ 64,321	1.7 %	\$ 61,116	1.7 %
Diversified infrastructure	149,198	4.0 %	123,639	3.6 %
Electricity transmission infrastructure	733,486	19.6 %	625,294	18.2 %
Gas transmission infrastructure	407,457	10.9 %	420,035	12.2 %
Oil transmission and storage infrastructure	145,382	3.9 %	133,260	3.9 %
Transportation infrastructure	264,470	7.1 %	292,890	8.5 %
Water, wastewater and sewage infrastructure	1,018,224	27.2 %	912,046	26.5 %
Total Direct Private Equity and Debt Investments	2,782,538	74.4 %	2,568,280	74.6 %
Total Unlisted Private Equity Investee Funds in diversified infrastructure	958,816	25.6 %	873,662	25.4 %
	<u>\$ 3,741,354</u>	<u>100.0 %</u>	<u>\$ 3,441,942</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk (continued)

The Fund's unlisted private equity, private debt and private equity investee fund investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION
(in 000s)

	2014		2013	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Australia	\$ 64,321	1.8 %	\$ 61,116	1.7 %
Brazil	197,887	5.3 %	224,890	6.5 %
Canada	641,140	17.1 %	590,585	17.2 %
Chile	731,188	19.5 %	625,294	18.2 %
Germany	407,457	10.9 %	420,035	12.2 %
Spain	145,382	3.9 %	133,260	3.9 %
United Kingdom	438,339	11.7 %	378,093	11.0 %
United States	156,824	4.2 %	135,007	3.9 %
Total Direct Private Equity and Debt Investments	2,782,538	74.4 %	2,568,280	74.6 %
Total Unlisted Private Equity Investee Funds in diversified infrastructure	958,816	25.6 %	873,662	25.4 %
	<u>\$ 3,741,354</u>	<u>100.0 %</u>	<u>\$ 3,441,942</u>	<u>100.0 %</u>

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Accordingly, sensitivity analysis that would measure the impact to changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10 percent, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$374,135,000 (2013 - \$344,194,000) or 10.0 percent (2013 - 10.2 percent) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Direct Private Equity Investments	\$ -	\$ -	\$ 2,366,438	\$ 2,366,438
Direct Private Debt Investments	-	-	416,100	416,100
Unlisted Private Equity Investee Funds	-	-	958,816	958,816
Foreign Currency Contracts	-	(9)	-	(9)
bcIMC Money Market Funds	83,086	-	-	83,086
Debt Issued	-	-	(112,243)	(112,243)
Net Investment-Related Receivables	-	28,640	-	28,640
Total Investments	<u>\$ 83,086</u>	<u>\$ 28,631</u>	<u>\$ 3,629,111</u>	<u>\$ 3,740,828</u>

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Direct Private Equity Investments	\$ -	\$ -	\$ 2,248,338	\$ 2,248,338
Direct Private Debt Investments	-	-	319,942	319,942
Unlisted Private Equity Investee Funds	-	-	873,662	873,662
Foreign Currency Contracts	-	(45,586)	-	(45,586)
bcIMC Money Market Funds	70,751	-	-	70,751
Debt Issued	-	-	(102,965)	(102,965)
Net Investment-Related Receivables	-	7,184	-	7,184
Total Investments	<u>\$ 70,751</u>	<u>\$ (38,402)</u>	<u>\$ 3,338,977</u>	<u>\$ 3,371,326</u>

See accompanying Notes to the Financial Statements.

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STRATEGIC INV 100 FOREIGN PP FUND

Fair Value Measurement Discussion (continued)
as at December 31

Fair Value Hierarchy (continued)

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014				
(in 000s)	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Debt Issued	Total
Balance, beginning of year	\$ 2,248,338	\$ 319,942	\$ 873,662	\$ (102,965)	\$ 3,338,977
Total gains or (losses) recognized in profit or loss	113,637	21,398	55,852	(9,278)	181,609
Purchases	44,389	244,812	146,752	-	435,953
Sales	(39,926)	(170,052)	(117,450)	-	(327,428)
Balance, end of year	<u>\$ 2,366,438</u>	<u>\$ 416,100</u>	<u>\$ 958,816</u>	<u>\$ (112,243)</u>	<u>\$ 3,629,111</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 111,514</u>	<u>\$ 14,810</u>	<u>\$ 22,085</u>	<u>\$ (9,279)</u>	<u>\$ 139,130</u>

Fair Value Measurement Discussion (continued)
as at December 31

	2013				
(in 000s)	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Debt Issued	Total
Balance, beginning of year	\$ 1,945,478	\$ 568,587	\$ 832,584	\$ (96,491)	\$ 3,250,158
Total gains or (losses) recognized in profit or loss	164,936	384	97,846	(6,474)	256,692
Purchases	266,778	-	115,348	-	382,126
Sales	(128,854)	(249,029)	(172,116)	-	(549,999)
Balance, end of year	<u>\$ 2,248,338</u>	<u>\$ 319,942</u>	<u>\$ 873,662</u>	<u>\$ (102,965)</u>	<u>\$ 3,338,977</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 154,883</u>	<u>\$ (62,137)</u>	<u>\$ 61,843</u>	<u>\$ (6,474)</u>	<u>\$ 148,115</u>

During 2014 and 2013, there were no significant transfers into or out of Level 3.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$2,366,438	Discounted Cash Flows	Discount rate	6.4% to 11.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
		Market approach	EV / EBITDA	9.9x to 14.5x	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt	\$ 416,100	Discounted Cash Flows	Discount rate	8.0% to 10.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 958,816	Unadjusted Net Asset Value	Net Asset Value	\$958,816	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Debt issued	\$(112,243)	Discounted Cash Flows	Discount rate	12%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

**Fair Value Measurement Discussion (continued)
as at December 31**

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2013				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$2,248,338	Discounted Cash Flows	Discount rate	7.2% to 11.3%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
		Market approach	EV / EBITDA	10.2x to 14.3x	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt	\$ 319,942	Discounted Cash Flows	Discount rate	8% to 11%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 76,636	Adjusted Net Asset Value	Net Asset Value	\$78,836	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$(2,200)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
Unlisted Private Equity Investee Funds	\$ 797,026	Unadjusted Net Asset Value	Net Asset Value	\$797,026	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Debt issued	\$(102,965)	Discounted Cash Flows	Discount rate	12%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Discount rate:
Represents the discount rate applied to the expected future cash flows of each private debt investment and debt issued. For the discount rates used, bcIMC management 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.
- (iii) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.
- (iv) Fair value adjustment:
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity and direct private debt investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if:

- a) the valuations of certain direct private equity and direct private debt investments were calculated by recalibrating the model values using unobservable inputs based on the upper and lower threshold of the respective investment's range of possible estimates.
- b) the valuations of unlisted private equity investee funds, of certain direct private equity and direct private debt investments and debt issued were calculated by adjusting the respective underlying investee fund's net assets, value of private equity and debt by 10%.

(in 000s)	2014	2013
Favourable	\$ 316,477	\$ 286,401
Unfavourable	\$ (316,756)	\$ (286,401)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 16 intermediary holding corporations and 5 limited partnerships (2013 - 16 intermediary holding corporations and 4 limited partnerships), all of which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$3,740,163,000 (2013 - \$3,370,953,000), is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations and limited partnerships). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,873	\$ 83,086
Unlisted private equity investee funds administered by third party managers	18	\$ 33,611,060	\$ 958,816

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 70,751
Unlisted private equity investee funds administered by third party managers	18	\$ 32,365,902	\$ 873,662

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund has commitments to provide financial or other support to the intermediary holding corporations and limited partnerships to fund day-to-day operations and investment activity under loan agreements or shareholder's resolutions as needed

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

**Involvement with Structured Entities
as at December 31**

The Fund's investments are held primarily through 16 intermediary holding corporations and 5 limited partnerships (2013 - 16 intermediary holding corporations and 4 limited partnerships), all of which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$3,740,163,000 (2013 - \$3,370,953,000), is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations and limited partnerships). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,162,873	\$ 83,086
Unlisted private equity investee funds administered by third party managers	18	\$ 33,611,060	\$ 958,816

**Involvement with Structured Entities (continued)
as at December 31**

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,583,110	\$ 70,751
Unlisted private equity investee funds administered by third party managers	18	\$ 32,365,902	\$ 873,662

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund has commitments to provide financial or other support to the intermediary holding corporations and limited partnerships to fund day-to-day operations and investment activity under loan agreements or shareholder's resolutions as needed

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

STRATEGIC INV 100 FOREIGN PP FUND

**Involvement with Subsidiaries and Associates
as at December 31**

The Fund also holds through intermediary holding corporations the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at Fair Value Through Profit or Loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates:

December 31, 2014

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/ Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Corix Infrastructure Inc.	Water, wastewater and energy infrastructure company	Common shares and shareholder loan	Subsidiary	U.S. and Canada	Canada	57.0%	57.0%	\$ 425,360
Open Grid Europe GmbH.	Regulated gas transmission service operator	Common shares	Associate	Germany	Germany	27.3%	27.3%	\$ 407,457
Macquarie Utilities Inc.	Regulated water company	Common shares and shareholder loan	Associate	U.S.	U.S.	38.3%	38.3%	\$ 154,526
ETC Holdings Ltd.	Regulated electricity transmission	Common shares	Associate	Chile	Chile	22.1%	22.1%	\$ 731,188
InTransit BC Limited Partnership	Operation of the CanadaLine project	Limited partnership interest	Associate	Canada	Canada	28.3%	28.3%	\$ 66,583

December 31, 2013

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/ Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Corix Infrastructure Inc.	Water, wastewater and energy infrastructure company	Common shares and shareholder loan	Subsidiary	U.S. and Canada	Canada	53.3%	53.3%	\$ 398,947
Open Grid Europe GmbH.	Regulated gas transmission service operator	Common shares	Associate	Germany	Germany	27.3%	27.3%	\$ 420,035
Macquarie Utilities Inc.	Regulated water company	Common shares and shareholder loan	Associate	U.S.	U.S.	38.3%	38.3%	\$ 135,007
ETC Holdings Ltd.	Regulated electricity transmission	Common shares	Associate	Chile	Chile	22.1%	22.1%	\$ 625,294
InTransit BC Limited Partnership	Operation of the CanadaLine project	Limited partnership interest	Associate	Canada	Canada	28.3%	28.3%	\$ 68,000

During 2014 and 2013, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any restrictions.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

RENEWABLE RESOURCES INVESTMENT FUND
(Formerly Strategic Investment Real Estate Fund)

Statement of Financial Position					Statement of Comprehensive Income				
(all amounts in thousands <i>except number of units</i>)					(all amounts in thousands)				
	Note	December 31, 2014	December 31, 2013 <i>(note 12)</i>	January 1, 2013 <i>(note 12)</i>		Note	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>	
Assets					Revenue:				
Receivable from sale of investments		\$ -	\$ 28,508	\$ -	Interest income		\$ 1	\$ 1	
Investments		46,782	56,219	297,040	Change in fair value of investments:	8			
		46,782	84,727	297,040	Net realized gain		414	42,659	
					Net change in unrealized appreciation (depreciation)		(1,512)	3,207	
Liabilities					Total Revenue		(1,097)	45,867	
Payable for redemption of units		-	28,508	-	Expenses:				
bcIMC funds management fees payable	4	67	28	16	bcIMC funds management fees	4	560	307	
Other accounts payable		10	12	13	Audit fees		13	15	
		77	28,548	29	Legal fees		13	27	
					Pursuit cost		40	242	
Net assets attributable to holders of redeemable units					Total operating expenses		626	591	
		\$ 46,705	\$ 56,179	\$ 297,011	Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions				
Number of redeemable units outstanding	5	20.232	26.966	257.797			(1,723)	45,276	
Net assets attributable to holders of redeemable units per unit					Distributions to holders of redeemable units:				
		\$ 2,308	\$ 2,083	\$ 1,152	From net investment income		-	-	
Contingent liability	6				From net realized gains on investments		(8,160)	(6,362)	
Unfunded committed capital	7						(8,160)	(6,362)	
					Increase (decrease) in net assets attributable to holders of redeemable units				
							\$ (9,883)	\$ 38,914	

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

RENEWABLE RESOURCES INVESTMENT FUND
(Formerly Strategic Investment Real Estate Fund)

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Year Ended December 31, 2013 <i>(note 12)</i>
Balance, beginning of year	\$ 56,179	\$ 297,011
Increase (decrease) in net assets attributable to holders of redeemable units	(9,883)	38,914
Redeemable unit transactions:		
Proceeds from units issued	815	103,344
Reinvestment of distributions	8,160	6,362
Amounts paid for units redeemed	(8,566)	(389,452)
Net increase (decrease) from redeemable unit transactions	409	(279,746)
Balance, end of year	\$ 46,705	\$ 56,179

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Year Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (9,883)	\$ 38,914
Adjustments for:		
Interest income	(1)	(1)
Net realized gain from investments	(414)	(42,659)
Net change in unrealized (appreciation) depreciation from investments	1,512	(3,207)
Non cash distributions	8,160	6,362
Proceeds from sale of investments	9,410	361,523
Amounts paid for purchase of investments	(1,071)	(103,344)
Receivable from sale of investments	28,508	(28,508)
Payable for redemption of units	(28,508)	28,508
bcIMC funds management fees payable	39	12
Other accounts payable	(2)	(1)
Interest received	1	1
	<u>7,751</u>	<u>257,600</u>
Financing activities:		
Proceeds from issue of redeemable units	815	103,344
Payments on redemption of redeemable units	(8,566)	(360,944)
	<u>(7,751)</u>	<u>(257,600)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

RENEWABLE RESOURCES INVESTMENT FUND
(Formerly Strategic Investment Real Estate Fund)

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair</u>	<u>Cost</u>	<u>Fair</u>	<u>Cost</u>
	<u>Value</u>		<u>Value</u>	
Private Equity Investments¹:	\$ 46,658	\$ 45,269	\$ 56,182	\$ 53,280
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST2	<u>124</u>	<u>124</u>	<u>37</u>	<u>38</u>
Total Investments	<u>\$ 46,782</u>	<u>\$ 45,393</u>	<u>\$ 56,219</u>	<u>\$ 53,318</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

RENEWABLE RESOURCES INVESTMENT FUND
(Formerly Strategic Investment Real Estate Fund)

Financial Risk Management Discussion
as at December 31

The investment objectives, eligible investments and general information on the financial risks related to the Renewable Resources Investment program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Renewable Resources Investment Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2014		2013	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Fund	\$ 46,630	99.9 %	\$ 48,021	85.5 %
bcIMC Money Market Funds	29	0.1 %	8,160	14.5 %
Cash	-	- %	1	- %
Net Investment-Related Payables	(1)	- %	-	- %
	<u>\$ 46,658</u>	<u>100.0 %</u>	<u>\$ 56,182</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted equity investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$46,642,000 Cdn which represents 99.9% of the net asset value of the Fund (2013 - \$48,026,000 Cdn which represented 85.5% of the net asset value of the Fund).

The paragraph above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee fund. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, 2014, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$466,000 Cdn (2013 - \$480,000 Cdn), representing 1.0% of the Fund's net assets (2013 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$8,169 Cdn (2013 - \$7,494 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$82 Cdn (2013 - \$75 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

RENEWABLE RESOURCES INVESTMENT FUND
(Formerly Strategic Investment Real Estate Fund)

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

The net assets include real estate properties and other related receivables and payables. The real estate investments are primarily in timberlands and concentrated in Brazil.

The fair value of this investment fluctuates in response to specific property characteristics, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$4,700,000 (2013 - \$5,600,000) or 10.1% (2013 – 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Fair Value Measurement Discussion
as at December 31

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2014			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Payables	\$ -	\$ (1)	\$ -	\$ (1)
bcIMC Money Market Funds	153	-	-	153
Unlisted Private Equity Investee Fund	-	-	46,630	46,630
Total Investments	\$ 153	\$ (1)	\$ 46,630	\$ 46,782

	2013			
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)				
Cash	\$ -	\$ 1	\$ -	\$ 1
bcIMC Money Market Funds	8,197	-	-	8,197
Unlisted Private Equity Investee Fund	-	-	48,021	48,021
Total Investments	\$ 8,197	\$ 1	\$ 48,021	\$ 56,219

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

RENEWABLE RESOURCES INVESTMENT FUND
(Formerly Strategic Investment Real Estate Fund)

Fair Value Measurement Discussion (continued)
as at December 31

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	2013
(in 000s)	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 48,021	\$ 297,166
Total gains or (losses) recognized in profit or loss	1,806	17,957
Purchases	348	101,476
Sales	(3,545)	(368,578)
Balance, end of year	<u>\$ 46,630</u>	<u>\$ 48,021</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (741)</u>	<u>\$ (4,782)</u>

During 2014 and 2013, there were no significant transfers into or out of Level 3.

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of unlisted private equity investee funds as Level 3 in the fair value hierarchy as at December 31:

	2014				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 46,630	Unadjusted Net Asset Value	Net Asset Value	\$46,630	The estimated fair value would increase (decrease) if the net asset value of the unlisted private equity investee fund was higher (lower).
	2013				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 48,021	Unadjusted Net Asset Value	Net Asset Value	\$48,021	The estimated fair value would increase (decrease) if the net asset value of the unlisted private equity investee fund was higher (lower).

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

RENEWABLE RESOURCES INVESTMENT FUND
(Formerly Strategic Investment Real Estate Fund)

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee fund is valued based on information received from the external manager through co-investment arrangement. The fair value of the investment fluctuates in response to changes in specific assumptions for the investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if:

- the valuation of unlisted private equity investee fund was calculated by adjusting the underlying investee fund's net assets by 10%.

(in 000s)	2014	2013
Favourable	\$ 4,700	\$ 4,800
Unfavourable	\$ (4,700)	\$ (4,800)

Involvement with Structured Entities
as at December 31

The Fund's investments are held through two intermediary holding corporations, both of which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$46,658,000 (2013 - \$56,182,000), is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market fund organized as unit trust and indirectly held investee fund organized as limited partnership. Both of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market fund administered by bcIMC	1	\$ 4,432,739	\$ 124
Unlisted private equity investee fund administered by third party manager	1	\$ 265,229	\$ 46,630

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

RENEWABLE RESOURCES INVESTMENT FUND
(Formerly Strategic Investment Real Estate Fund)

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market fund administered by bcIMC	1	\$ 1,675,538	\$ 37
Unlisted private equity investee fund administered by third party manager	1	\$ 316,329	\$ 48,021

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund has commitments to provide financial or other support to the intermediary holding corporations to fund day-to-day operations and investment activity under loan agreements or shareholder's resolutions as needed.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

IT INVESTMENT TRUST

Statement of Financial Position

(all amounts in thousands *except number of units*)

	Note	December 31, 2014	December 31, 2013 (notes 1 & 12)	December 9, 2013 (notes 1 & 12)
Assets				
Cash		\$ -	\$ 1	\$ -
Receivable from issue of units		-	28,508	-
Investments		<u>221,857</u>	<u>206,123</u>	<u>-</u>
Liabilities				
Payable for purchase of investments		-	28,508	-
bcIMC funds management fees payable	4	5	-	-
Other accounts payable		<u>10</u>	<u>-</u>	<u>-</u>
		<u>15</u>	<u>28,508</u>	<u>-</u>
Net assets attributable to holders of redeemable units		<u>\$ 221,842</u>	<u>\$ 206,124</u>	<u>\$ -</u>
<i>Number of redeemable units outstanding</i>	5	<i>196.240</i>	<i>204.917</i>	<i>-</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,130</u>	<u>\$ 1,006</u>	<u>\$ -</u>
<i>Contingent liability</i>	6			
<i>Unfunded committed capital</i>	7			

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2014	Period Ended December 31, 2013 (notes 1 & 12)
Revenue:			
Interest income		\$ 12	\$ 1
Foreign exchange loss		(9)	(263)
Change in fair value of investments:	8		
Net realized gain		69	266
Net change in unrealized appreciation		<u>26,232</u>	<u>1,203</u>
Total Revenue		<u>26,304</u>	<u>1,207</u>
Expenses:			
bcIMC funds management fees	4	87	-
Administrative fees		1	-
Audit fees		29	-
Legal fees		<u>20</u>	<u>-</u>
Total operating expenses		<u>137</u>	<u>-</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>26,167</u>	<u>1,207</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 26,167</u>	<u>\$ 1,207</u>

(original signed by Gordon Fyfe)

Gordon Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

IT INVESTMENT TRUST

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(all amounts in thousands)

	Year Ended December 31, 2014	Period Ended December 31, 2013 <i>(notes 1 & 12)</i>
Balance, beginning of period	\$ 206,124	\$ -
Increase in net assets attributable to holders of redeemable units	26,167	1,207
Redeemable unit transactions:		
Proceeds from units issued	244	204,917
Amounts paid for units redeemed	<u>(10,693)</u>	<u>-</u>
Net increase (decrease) from redeemable unit transactions	<u>(10,449)</u>	<u>204,917</u>
Balance, end of period	<u>\$ 221,842</u>	<u>\$ 206,124</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2014 <i>(note 12)</i>	Period Ended December 31, 2013 <i>(note 12)</i>
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 26,167	\$ 1,207
Adjustments for:		
Interest income	(12)	(1)
Net realized gain from investments	(69)	(266)
Net change in unrealized appreciation from investments	(26,232)	(1,203)
Proceeds from sale of investments	38,866	180,283
Amounts paid for purchase of investments	(28,299)	(356,429)
Receivable from issue of units	28,508	(28,508)
Payable for purchase of investments	(28,508)	28,508
bcIMC funds management fees payable	5	-
Other accounts payable	10	-
Interest received	12	1
	<u>10,448</u>	<u>(176,408)</u>
Financing activities:		
Proceeds from issue of redeemable units	244	176,409
Payments on redemption of redeemable units	<u>(10,693)</u>	<u>-</u>
	<u>(10,449)</u>	<u>176,409</u>
Net increase (decrease) in cash	(1)	1
Cash, beginning of period	<u>1</u>	<u>-</u>
Cash, end of period	<u>\$ -</u>	<u>\$ 1</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

IT INVESTMENT TRUST

Schedule of Investments

as at December 31

(all amounts in thousands)

	2014		2013	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 221,841	\$ 194,406	\$ 204,916	\$ 203,714
Money Market Investments:				
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST2	10	10	1,202	1,201
Fund ST3	<u>6</u>	<u>6</u>	<u>5</u>	<u>5</u>
	<u>16</u>	<u>16</u>	<u>1,207</u>	<u>1,206</u>
Total Investments	<u>\$ 221,857</u>	<u>\$ 194,422</u>	<u>\$ 206,123</u>	<u>\$ 204,920</u>

¹ The private equity investments are held through an externally managed limited partnership.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

IT INVESTMENT TRUST

**Financial Risk Management Discussion
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Renewable Resources Investment program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the IT Investment Trust.

IT Investment Trust (the Fund) directly owns a limited partnership interest in Island Timberlands Limited Partnership. Island Timberlands Limited Partnership is a Canadian limited partnership which holds the investments denominated in U.S. dollars. The principal business of the limited partnership is growing and harvesting timber in Coastal British Columbia. The limited partnership is also engaged in real estate development and sales. The Fund's activities expose it to a variety of financial risks.

Credit Risk

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

Liquidity Risk

The Fund's financial assets include unlisted equity investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

**Financial Risk Management Discussion (continued)
as at December 31**

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$221,847,156 Cdn which represents 100.0% of the net asset value of the Fund (2013 - \$176,413,745 Cdn which represented 85.6% of the net asset value of the Fund). As at December 31, 2014, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$2,218,470 Cdn (2013 - \$1,764,140 Cdn), representing 1.0% of the Fund's net assets (2013 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The fair value of the Fund fluctuates in response to global demand and economic growth, the regulatory environment or changes among other factors. Accordingly, sensitivity analysis that would measure the impact of changes in the general level of market prices has not been provided as bcIMC does not believe this information would be meaningful.

As at December 31, 2014 and 2013, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$22,186,000 (2013 - \$20,612,000) or 10.0% (2013 - 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

IT INVESTMENT TRUST

**Fair Value Measurement Discussion
as at December 31**

Fair Value Hierarchy

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2014			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds	\$	16	\$ -	\$ -	\$ 16
Direct Private Equity Investment		-	-	221,841	221,841
Total Investments	\$	16	\$ -	\$ 221,841	\$ 221,857

		2013			
		Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in 000s)					
bcIMC Money Market Funds	\$	1,207	\$ -	\$ -	\$ 1,207
Direct Private Equity Investment		-	-	204,916	204,916
Total Investments	\$	1,207	\$ -	\$ 204,916	\$ 206,123

During 2014 and 2013, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)
as at December 31**

Fair Value Hierarchy (continued)

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2014	2013
(in 000s)	Direct Private Equity Investment	Direct Private Equity Investment
Balance, beginning of period	\$ 204,916	\$ -
Total gains or (losses) recognized in profit or loss	26,236	29,711
Purchases	-	176,408
Sales	(9,307)	(1,203)
Balance, end of period	\$ 221,845	\$ 204,916
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 26,231	\$ 29,711

During 2014 and 2013, there were no significant transfers into or out of Level 3.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

IT INVESTMENT TRUST

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investment categorized as Level 3 in the fair value hierarchy as at December 31:

2014					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 221,841	Market approach	EV / EBITDA	\$221,841	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
2013					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 204,916	Market approach	EV / EBITDA	\$204,916	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).

Significant unobservable inputs are developed as follows:

Enterprise Value (“EV”) and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of direct private equity investment was calculated by adjusting the value of direct private equity investment by 10%.

(in 000s)	2014	2013
Favourable	\$ 22,200	\$ 20,500
Unfavourable	\$ (22,200)	\$ (20,500)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

IT INVESTMENT TRUST

**Involvement with Structured Entities
as at December 31**

Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The structured entities are comprised of directly held investee money market funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units. The tables below set out the direct and indirect interests held by the Fund in these structured entities:

Entity	December 31, 2014		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 4,616,564	\$ 16

Entity	December 31, 2013		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by bcIMC	2	\$ 1,786,234	\$ 1,206

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2014 and 2013, the Fund did not provide financial or other support to these structured entities.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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**Involvement with Subsidiaries and Associates
as at December 31**

The Fund also holds the following investment in which it has a controlling position. The Fund measures the investment at Fair Value Through Profit or Loss. The tables below set out interest held by the Fund in this unconsolidated subsidiary.

December 31, 2014

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/ Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Island Timberlands Limited Partnership	Investment in, management and disposition of timberlands in British Columbia, Canada	Limited partnership interest	Subsidiary	Canada	Canada	28.3%	28.3%	\$ 221,841

December 31, 2013

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/ Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Island Timberlands Limited Partnership	Investment in, management and disposition of timberlands in British Columbia, Canada	Limited partnership interest	Subsidiary	Canada	Canada	28.3%	28.3%	\$ 204,916

During 2014 and 2013, the Fund did not provide financial support to the subsidiary and has no intention of providing financial or other support. Furthermore, the subsidiary listed in the table above is not subject to any restrictions.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2014

1. The Portfolios

British Columbia Investment Management Corporation ("bcIMC") was established under the *Public Sector Pension Plans Act* as a trust company authorized to carry on trust business and investment management services. The address of the bcIMC's registered office is at 300 - 2950 Jutland Road, Victoria, British Columbia Canada. These financial statements have been prepared by bcIMC and are the responsibility of bcIMC management.

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, bcIMC may establish and operate pooled investment portfolios "... in which money from trust funds, special funds or other funds, other public money and the money of government bodies and designated institutions may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio." In addition, pooled investment portfolios (the Funds) previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, to be held in trust by bcIMC and invested by the Chief Investment Officer of bcIMC.

The Funds were established on the following dates:

Pooled Investment Portfolios	Dates Established	Pooled Investment Portfolios	Dates Established	Pooled Investment Portfolios	Dates Established
Mezzanine Mortgage Fund	September 28, 1999	2003 Private Placement Fund	January 1, 2004	2012 Private Placement Fund	March 1, 2012
Private Placement Fund 1996	March 20, 1996	2004 Private Placement Fund	January 1, 2004	2013 Private Placement Fund	March 4, 2013
Private Placement Fund 1997	March 12, 1997	2005 Private Placement Fund	January 1, 2005	2014 Private Placement Fund *	February 14, 2014
Private Placement Fund 1998	March 12, 1998	2006 Private Placement Fund	January 27, 2006	Strategic Inv 100 Foreign PP Fund	December 23, 2004
Private Placement Fund 1999	March 17, 1999	2007 Private Placement Fund	January 11, 2007	Renewable Resources Investment Fund	May 19, 2005
Private Placement Fund 1999A	March 17, 1999	2008 Private Placement Fund	January 9, 2008	(formerly the Strategic Investment Real Estate Fund)	
2000 Private Placement Fund	January 1, 2004	2009 Private Placement Fund	January 13, 2009	IT Investment Trust	December 9, 2013
2001 Private Placement Fund	January 1, 2004	2010 Private Placement Fund	January 29, 2010		
2002 Private Placement Fund	January 1, 2004	2011 Private Placement Fund	February 11, 2011		

*As this Fund was established in 2014, no comparative figures have been presented in the respective financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
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2. Basis of preparation

(a) Statement of compliance

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards (“IFRS”). This is the first time that the Funds have prepared the financial statements in accordance with IFRS, and IFRS 1 (*First – Time Adoption of International Financial Reporting Standards*) has been applied. Previously, the Funds financial statements were prepared in accordance with Canadian Generally Accepted Accounting Principles as defined in Part V of the CPA Handbook (Canadian GAAP). The Funds have consistently applied the accounting policies used in the preparation of the opening IFRS statement of financial position at January 1, 2013, or the applicable date, and throughout all periods presented, as if these policies had always been in effect. Details of the transition from Canadian GAAP to IFRS are provided in note 12. The financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on August 24, 2015.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars which is the Funds’ functional currency.

(d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. In determining the fair value of some of its investments, bcIMC reviews and assesses external managers' estimates and assumptions regarding investment industry performance and prospects, as well as general business and economic conditions that prevail or are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year is included in note 9. This information relates to the determination of fair value of investments with significant unobservable inputs.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition and measurement

Financial instruments are required to be classified into one of the following categories: held-for-trading, fair value through profit or loss (“FVTPL”), available-for-sale, loans and receivables, assets held-to-maturity, and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or fair value through profit or loss in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities held for trading or at fair value through profit or loss are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Funds have a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Funds have not classified any of their financial instruments as available-for-sale or assets held to maturity.

(ii) Held-for-trading and fair value through profit and loss

Financial instruments classified as held-for-trading or FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Funds’ derivative financial assets and derivative financial liabilities are classified as held-for-trading. The Funds’ investments in securities are designated as FVTPL.

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. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day’s bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, bcIMC determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds’ policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including certain complex derivative instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other valuation techniques commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of bcIMC, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information for a similar financial asset or liability.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
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3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(iii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Funds classify cash, dividends receivable, interest receivable, accounts receivable, receivable from sale of investments, receivable from issue of units, and accrued variation margin income as loans and receivables.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iv) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Funds' other financial liabilities are comprised of accounts payable, custodial fees payable, payable for purchase of investments, payable for redemption of units, external management fees payable, interest payable, accrued variation margin loss and bcIMC funds management fees payable.

(b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (section 10), each Fund is required to distribute, to unitholders of the respective Fund's redeemable units, the taxable income and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of bcIMC.

(c) Issue and redemption of units

Participation in each Fund is expressed in units. The initial value of a unit of a Fund on inception is \$1 million. For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis.

(d) Foreign exchange

The financial statements of the Funds are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the Statement of Comprehensive Income.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
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3. Significant accounting policies (continued)

(e) Income recognition

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined using the average cost basis of the respective investments. Commissions, stock exchange fees and other identifiable transaction costs that are directly attributable to the acquisition or disposal of an investment are expensed as incurred. Pursuit costs are charged to net income of the respective Funds in the period incurred.

(f) Income taxes

The Funds qualify as an inter-vivos trusts under section 108(1) of the *Income Tax Act (Canada)*. All of a Fund's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Funds do not record income taxes. Income taxes associated with any of the Funds' underlying investments are accounted for in determining the fair value of the respective investments.

(g) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2014, and have not been applied in preparing these financial statements. None of these will have a significant effect on the financial statements of the Funds, with the possible exception of IFRS 9, *Financial Instruments*.

IFRS 9 deals with recognition, de-recognition, classification and measurement of financial instruments and represents a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

In 2014, the IASB tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018, however early adoption is permitted. Management is currently in the process of evaluating the potential effect of this standard. bcIMC has not yet completed its determination of the potential impact of IFRS 9 on the financial statements of the Funds.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2014

4. Related party transactions

Third party costs that are attributable to a specific Fund are charged to that Fund. Other costs initially borne by bcIMC are recovered from the various Funds on a cost recovery basis. bcIMC cost recoveries and corresponding payable are disclosed in each Fund's statement of comprehensive income and statement of financial position as management fees expense and payable, respectively.

5. Redeemable units

The Funds are authorized to issue an unlimited number of units. Units issued and outstanding represent the capital of each Fund. The Funds are not subject to any internally or externally imposed restrictions on their capital. bcIMC manages the capital of each Fund in accordance with the respective Fund's investment objectives, including managing the redeemable units to ensure a stable base to maximize returns to all investors, and managing liquidity in order to meet redemptions. The following is a summary of the changes in redeemable units outstanding during the year ended:

	MEZZANINE MORTGAGE FUND		PRIVATE PLACEMENT FUND 1996		PRIVATE PLACEMENT FUND 1997	
	2014	2013	2014	2013	2014	2013
Outstanding, beginning of period	50.872	53.358	0.096	0.137	8.047	11.504
Issued for cash	16.515	1.009	0.002	0.004	0.040	0.109
Issued on reinvestment of distributions	3.216	1.347	0.009	0.038	0.851	1.032
Consolidation of units	(3.216)	(1.347)	(0.009)	(0.038)	(0.851)	(1.032)
Redeemed	<u>(14.315)</u>	<u>(3.495)</u>	<u>(0.007)</u>	<u>(0.045)</u>	<u>(2.063)</u>	<u>(3.566)</u>
Outstanding, end of period	<u>53.072</u>	<u>50.872</u>	<u>0.091</u>	<u>0.096</u>	<u>6.024</u>	<u>8.047</u>
	PRIVATE PLACEMENT FUND 1998		PRIVATE PLACEMENT FUND 1999		PRIVATE PLACEMENT FUND 1999A	
	2014	2013	2014	2013	2014	2013
Outstanding, beginning of period	5.910	8.678	52.410	70.065	5.274	5.957
Issued for cash	0.029	0.123	0.072	0.173	0.049	0.054
Issued on reinvestment of distributions	2.727	1.314	5.619	-	-	-
Consolidation of units	(2.727)	(1.314)	(5.619)	-	-	-
Redeemed	<u>(3.948)</u>	<u>(2.891)</u>	<u>(24.253)</u>	<u>(17.828)</u>	<u>(0.323)</u>	<u>(0.737)</u>
Outstanding, end of period	<u>1.991</u>	<u>5.910</u>	<u>28.229</u>	<u>52.410</u>	<u>5.000</u>	<u>5.274</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2014

5. Redeemable units (continued)

	2000 PRIVATE PLACEMENT FUND		2001 PRIVATE PLACEMENT FUND		2002 PRIVATE PLACEMENT FUND	
	2014	2013	2014	2013	2014	2013
Outstanding, beginning of period	10.489	16.798	7.744	9.917	29.791	43.891
Issued for cash	0.032	0.049	0.015	0.017	0.030	0.034
Issued on reinvestment of distributions	2.062	2.808	2.077	1.083	2.511	3.170
Consolidation of units	(2.062)	(2.808)	(2.077)	(1.083)	(2.511)	(3.170)
Redeemed	<u>(3.521)</u>	<u>(6.358)</u>	<u>(3.138)</u>	<u>(2.190)</u>	<u>(6.282)</u>	<u>(14.134)</u>
Outstanding, end of period	<u>7.000</u>	<u>10.489</u>	<u>4.621</u>	<u>7.744</u>	<u>23.539</u>	<u>29.791</u>

	2003 PRIVATE PLACEMENT FUND		2004 PRIVATE PLACEMENT FUND		2005 PRIVATE PLACEMENT FUND	
	2014	2013	2014	2013	2014	2013
Outstanding, beginning of period	51.089	76.540	59.789	81.256	554.215	897.577
Issued for cash	1.328	0.507	0.843	0.118	1.439	3.102
Issued on reinvestment of distributions	3.810	8.333	9.752	2.874	105.766	105.322
Consolidation of units	(3.810)	(8.333)	(9.752)	(2.874)	(105.766)	(105.322)
Redeemed	<u>(9.512)</u>	<u>(25.958)</u>	<u>(17.787)</u>	<u>(21.585)</u>	<u>(229.755)</u>	<u>(346.464)</u>
Outstanding, end of period	<u>42.905</u>	<u>51.089</u>	<u>42.845</u>	<u>59.789</u>	<u>325.899</u>	<u>554.215</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
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5. Redeemable units (continued)

	2006 PRIVATE PLACEMENT FUND		2007 PRIVATE PLACEMENT FUND		2008 PRIVATE PLACEMENT FUND	
	2014	2013	2014	2013	2014	2013
Outstanding, beginning of period	466.709	566.671	774.761	923.463	503.535	649.984
Issued for cash	1.756	5.670	3.859	8.480	18.499	39.048
Issued on reinvestment of distributions	44.078	16.628	105.372	36.532	37.750	42.452
Consolidation of units	(44.078)	(16.628)	(105.372)	(36.532)	(37.750)	(42.452)
Redeemed	<u>(153.220)</u>	<u>(105.632)</u>	<u>(273.076)</u>	<u>(157.182)</u>	<u>(106.283)</u>	<u>(185.497)</u>
Outstanding, end of period	<u>315.245</u>	<u>466.709</u>	<u>505.544</u>	<u>774.761</u>	<u>415.751</u>	<u>503.535</u>

	2009 PRIVATE PLACEMENT FUND		2010 PRIVATE PLACEMENT FUND		2011 PRIVATE PLACEMENT FUND	
	2014	2013	2014	2013	2014	2013
Outstanding, beginning of period	872.879	818.666	335.517	252.562	308.512	122.351
Issued for cash	165.598	135.584	140.056	103.521	229.834	197.292
Issued on reinvestment of distributions	9.536	3.716	2.332	-	-	-
Consolidation of units	(9.536)	(3.716)	(2.332)	-	-	-
Redeemed	<u>(49.104)</u>	<u>(81.371)</u>	<u>(24.745)</u>	<u>(20.566)</u>	<u>(28.481)</u>	<u>(11.131)</u>
Outstanding, end of period	<u>989.373</u>	<u>872.879</u>	<u>450.828</u>	<u>335.517</u>	<u>509.865</u>	<u>308.512</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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5. Redeemable units (continued)

	2012 PRIVATE PLACEMENT FUND		2013 PRIVATE PLACEMENT FUND		2014 PRIVATE PLACEMENT FUND	
	2014	2013	2014	2013	2014	
Outstanding, beginning of period	1,360.524	765.745	150.298	(note 1) -	(note 1) -	
Issued for cash	1,237.377	866.350	149.219	163.994	4.957	
Issued on reinvestment of distributions	6.919	4.250	1.753	-	-	
Consolidation of units	(6.919)	(4.250)	(1.753)	-	-	
Redeemed	(86.200)	(271.571)	(42.737)	(13.696)	(0.171)	
Outstanding, end of period	<u>2,511.701</u>	<u>1,360.524</u>	<u>256.780</u>	<u>150.298</u>	<u>4.786</u>	

	STRATEGIC INV 100 FOREIGN PP FUND		RENEWABLE RESOURCES INVESTMENT FUND		IT INVESTMENT TRUST	
	2014	2013	2014	2013	2014	2013
Outstanding, beginning of period	1,765.104	1,555.065	26.966	257.797	204.917	(note 1) -
Issued for cash	245.812	210.039	0.701	86.398	0.198	204.917
Issued on reinvestment of distributions	51.787	-	7.591	3.054	-	-
Consolidation of units	(51.787)	-	(7.591)	(3.054)	-	-
Redeemed	-	-	(7.435)	(317.229)	(8.875)	-
Outstanding, end of period	<u>2,010.916</u>	<u>1,765.104</u>	<u>20.232</u>	<u>26.966</u>	<u>196.240</u>	<u>204.917</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
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6. Contingent Liability

As a crown agent and pursuant to its enabling legislation, bcIMC is immune from taxation, including in respect of assets it holds in pooled investment portfolios. In 2009, bcIMC was advised that Canada was in discussions with the Province regarding the application of goods and services tax and/or harmonized sales tax ("GST") to costs recovered by bcIMC from assets held by bcIMC in pooled investment portfolios. In December 2013 bcIMC filed a petition in the Supreme Court of British Columbia seeking a declaration confirming its Crown immunity in respect of GST relating to costs recovered from assets held in pooled investment portfolios. Management is of the opinion that the Court will not deny bcIMC the ability to rely on its statutory Crown immunity and has therefore not accrued any liability for tax. However if the Court determines that GST applies to bcIMC in respect of costs recovered by it from assets held in pooled investment portfolios, management estimates the maximum cumulative GST owing at:

Maximum Cumulative GST Owing	Name of Fund
Less than 5 basis points	Mezzanine Mortgage Fund, 2005 Private Placement Fund, 2006 Private Placement Fund, 2007 Private Placement Fund, 2008 Private Placement Fund, 2009 Private Placement Fund, 2010 Private Placement Fund, 2011 Private Placement Fund, 2013 Private Placement Fund, IT Investment Trust
Between 5 and 10 basis point	2002 Private Placement Fund, 2003 Private Placement Fund, 2012 Private Placement Fund, 2014 Private Placement Fund, Strategic Inv 100 Foreign PP Fund
Between 10 and 50 basis points	Private Placement Fund 1997, Private Placement Fund 1998, Private Placement Fund 1999, Private Placement Fund 1999A, 2000 Private Placement Fund, 2001 Private Placement Fund, 2004 Private Placement Fund, Renewable Resources Investment Fund
Between 100 and 200 basis points*	Private Placement Fund 1996

* Private Placement Fund 1996 is in the liquidation stage, resulting in nominal net asset values at December 31, 2014. The potential estimated GST liability for this Fund is approximately \$28,000.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
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7. Unfunded committed capital

Unfunded capital commitments represent total commitments minus net contributions outstanding as of the reporting date. Net Contributions equals contributions less any recallable capital distributions. Recallable capital are distributions or previously contributed capital that has been returned, that may be recalled at some future date. Thus, due to changes in recallable capital, unfunded commitments may change at different reporting dates.

Furthermore, commitments to unlisted private equity investee funds and direct private equity investments are typically made in US dollars or Euro, but reported in Canadian dollars. Unfunded commitments are translated at the spot rate and net contributions are translated at historical exchange rates. Therefore, due to foreign exchange movements, unfunded commitments will vary on the reporting date.

The amounts in the table represent the contractual undiscounted cash commitments that can be called on demand.

Pooled Investment Portfolios (in \$000s)	Unfunded committed capital	
	As of December 31, 2014	As of December 31, 2013
Mezzanine Mortgage Fund	-	-
Private Placement Fund 1996	917	1,106
Private Placement Fund 1997	14,108	12,941
Private Placement Fund 1998	2,120	4,780
Private Placement Fund 1999	6,564	17,151
Private Placement Fund 1999A	883	1,533
2000 Private Placement Fund	7,056	6,437
2001 Private Placement Fund	2,756	2,504
2002 Private Placement Fund	4,509	6,749
2003 Private Placement Fund	14,049	14,470
2004 Private Placement Fund	22,798	23,857
2005 Private Placement Fund	61,103	61,878
2006 Private Placement Fund	72,964	82,643
2007 Private Placement Fund	90,101	102,919
2008 Private Placement Fund	129,925	192,055
2009 Private Placement Fund	139,757	222,434
2010 Private Placement Fund	182,754	254,836
2011 Private Placement Fund	354,048	514,258
2012 Private Placement Fund	445,640	550,463
2013 Private Placement Fund	689,994	729,990
2014 Private Placement Fund	538,073	-
Strategic Inv 100 Foreign PP Fund	1,443,200	639,051
Renewable Resources Investment Fund	8	7
IT Investment Trust	-	-
	<u>4,223,327</u>	<u>3,442,062</u>

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8. Net gain (loss) from financial instruments at fair value through profit or loss

Pooled Investment Portfolios (in \$000s)	2014					
	Net Gain (Loss) from Financial instruments Held for Trading – Derivative Financial Instruments	Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss – Investments	Total Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss	Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss		
				Realized	Unrealized	Total
Mezzanine Mortgage Fund	-	30,421	30,421	13,361	17,060	30,421
Private Placement Fund 1996	-	(1,529)	(1,529)	207	(1,736)	(1,529)
Private Placement Fund 1997	-	3,166	3,166	2,800	366	3,166
Private Placement Fund 1998	-	13,914	13,914	11,962	1,952	13,914
Private Placement Fund 1999	-	10,272	10,272	8,945	1,327	10,272
Private Placement Fund 1999A	-	1,909	1,909	(128)	2,037	1,909
2000 Private Placement Fund	-	2,371	2,371	7,761	(5,390)	2,371
2001 Private Placement Fund	-	1,201	1,201	8,073	(6,872)	1,201
2002 Private Placement Fund	-	8,603	8,603	6,235	2,368	8,603
2003 Private Placement Fund	-	17,754	17,754	5,924	11,830	17,754
2004 Private Placement Fund	-	(4,472)	(4,472)	2,396	(6,868)	(4,472)
2005 Private Placement Fund	-	58,042	58,042	102,379	(44,337)	58,042
2006 Private Placement Fund	-	115,285	115,285	78,248	37,037	115,285
2007 Private Placement Fund	-	79,319	79,319	155,600	(76,281)	79,319
2008 Private Placement Fund	-	154,456	154,456	76,620	77,836	154,456
2009 Private Placement Fund	(2)	104,474	104,472	5,435	99,037	104,472
2010 Private Placement Fund	-	43,240	43,240	2,021	41,219	43,240
2011 Private Placement Fund	-	44,544	44,544	1,030	43,514	44,544
2012 Private Placement Fund	-	52,077	52,077	1,316	50,761	52,077
2013 Private Placement Fund	-	77,922	77,922	5,865	72,057	77,922
2014 Private Placement Fund	-	13,215	13,215	(300)	13,515	13,215
Strategic Inv 100 Foreign PP Fund	-	14,437	14,437	(81,080)	95,517	14,437
Renewable Resources Investment Fund	-	(1,098)	(1,098)	414	(1,512)	(1,098)
IT Investment Trust	-	26,301	26,301	69	26,232	26,301
	(2)	865,824	865,822	415,153	450,669	865,822

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8. Net gain (loss) from financial instruments at fair value through profit or loss (continued)

Pooled Investment Portfolios (in \$000s)	2013					
	Net Gain (Loss) from Financial instruments Held for Trading – Derivative Financial Instruments	Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss – Investments	Total Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss	Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss		
				Realized	Unrealized	Total
Mezzanine Mortgage Fund	-	14,729	14,729	4,693	10,036	14,729
Private Placement Fund 1996	-	24	24	1,424	(1,400)	24
Private Placement Fund 1997	-	2,769	2,769	2,978	(209)	2,769
Private Placement Fund 1998	-	2,025	2,025	3,841	(1,816)	2,025
Private Placement Fund 1999	-	18,775	18,775	658	18,117	18,775
Private Placement Fund 1999A	-	(426)	(426)	(217)	(209)	(426)
2000 Private Placement Fund	-	9,461	9,461	9,614	(153)	9,461
2001 Private Placement Fund	-	5,952	5,952	3,822	2,130	5,952
2002 Private Placement Fund	-	15,131	15,131	7,320	7,811	15,131
2003 Private Placement Fund	-	19,719	19,719	12,106	7,613	19,719
2004 Private Placement Fund	-	5,177	5,177	3,094	2,083	5,177
2005 Private Placement Fund	-	117,809	117,809	83,989	33,820	117,809
2006 Private Placement Fund	(3,405)	155,907	152,502	20,485	132,017	152,502
2007 Private Placement Fund	-	154,524	154,524	48,938	105,586	154,524
2008 Private Placement Fund	(3,161)	242,704	239,543	68,506	171,037	239,543
2009 Private Placement Fund	-	61,074	61,074	3,326	57,748	61,074
2010 Private Placement Fund	-	27,105	27,105	362	26,743	27,105
2011 Private Placement Fund	-	22,586	22,586	(1,570)	24,156	22,586
2012 Private Placement Fund	-	56,005	56,005	3,257	52,748	56,005
2013 Private Placement Fund	-	55,718	55,718	(75)	55,793	55,718
2014 Private Placement Fund	-	-	-	-	-	-
Strategic Inv 100 Foreign PP Fund	-	(260,289)	(260,289)	(18,685)	(241,604)	(260,289)
Renewable Resources Investment Fund	-	45,866	45,866	42,659	3,207	45,866
IT Investment Trust	261	1,208	1,469	266	1,203	1,469
	(6,305)	773,553	767,248	300,791	466,457	767,248

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9. Financial risk management

(a) Risk management framework

Each Fund has its own investment objectives. The Funds' overall risk management program seeks to minimize the potentially adverse effect of risk on the Funds' financial performance in a manner consistent with the Funds' investment objectives. The mandates and investment policies are described below.

Mezzanine Mortgage Fund

The Mezzanine Mortgage Fund invests in highly levered real estate loans that provide investors with higher returns to compensate for the increased risks. These mortgages may provide fixed term or construction financing for multi-family residences (e.g. apartments, condominiums, and seniors' developments), office, retail and industrial buildings. The Fund does not provide mortgages for a single-family house. The Fund maintains a prudent level of diversification. The additional risks associated with construction projects are mitigated by requiring the involvement of only experienced developers, obtaining construction engineer evaluations, requiring significant pre-sales/pre-leasing levels and sufficient profit margin levels, as well as obtaining additional security provisions from borrowers. The performance benchmark for the Mezzanine Mortgage Fund is the FTSE TMX Canada 365 Day T-Bill Index plus 250 basis points.

The Fund invests in the following securities:

- Canadian first mortgages,
- Canadian second and third mortgages, and/or equity participation investments with CIO approval,
- Canadian first, second, and third mortgages, and/or equity participation investments, on properties classified as hotel, motel or recreational, with CIO approval,
- Units/shares in Canadian mortgage trusts, mortgage funds, limited partnerships, co-investment agreements, and parallel investments agreements where the underlying assets comply with these investment policies, with CIO approval, and
- bcIMC Canadian Money Market Funds (ST1) and (ST2)

The following restrictions apply to the holding of securities in the Fund:

- Mortgages must be eligible investments under the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.
- The Fund does not provide mortgages on raw land unless it is tied to a credible development plan, or provide mortgages without a site inspection, current market appraisal and a current environmental audit.
- The Fund may not invest in derivatives.

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9. Financial risk management (continued)

(a) Risk management framework (continued)

Private Placement Vintage Funds

The Private Placement Vintage Funds invest in privately negotiated transactions involving private, and on occasion, public companies. Investments consist primarily of debt, equity or hybrid securities of investee companies. bcIMC typically invests in private placements through limited partnerships managed by external fund managers. On occasion, bcIMC invests directly in companies alongside investments made by its external managers (known as co-investments) or independently. The partnerships invest in domestic and international companies at various stages of development, and are related to early-stage or late-stage venture capital, buy-out, or senior or subordinated debt financing. The investment objectives of the Private Placement Vintage Funds are to provide a higher rate of return than the Morgan Stanley Capital International (MSCI) All Country World Net Index plus 200 basis points on equity investments, and a nominal rate of return on fixed income investments of at least 8 percent. The Private Placement Program has the following long-term diversification targets based on geographic region and investment purpose (venture capital, growth expansion, buyouts and other).

Geographic Targets	Range	Investment Purpose Targets	Range
Canada	10% to 40%	Emerging Markets	0% to 20%
United States	20% to 50%	Venture Capital/Growth Expansion	10% to 25%
Europe	15% to 45%	Buyouts	55% to 80%
Asia	5% to 30%	Other	0% to 20%

The geographic ranges relate to the investment focus rather than the locations of the fund managers. The composition of the investments within individual Private Placement Vintage Funds may deviate significantly from these targets, so unitholders may need to invest in successive vintage years to achieve the above long-term diversification targets.

The Private Placement Vintage Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios,
- publicly traded common stock or fixed income securities,
- derivatives, with CIO approval, such as, but not limited to, spot contracts, forwards, futures, swaps and options, to manage interest rate risk and currency exposure, and
- units of bcIMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3 (money market funds) and/or Currency Hedging Funds.

The following restrictions apply to the Private Placement Vintage Funds' investing activities:

- Direct investments may not exceed 20 percent of the total funds within the Private Placement Program.
- Direct investments in one particular company may not exceed 30 percent of the Private Placement Program's allocation to direct investments (calculated based on commitment values).
- No fund or direct investment will be made without extensive due diligence reviews being completed by bcIMC.
- The Fund may not sell short, borrow securities, or purchase securities via a margin account.
- The investments must comply with the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.

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9. Financial risk management (continued)

(a) Risk management framework (continued)

Strategic Inv 100 Foreign PP Fund

The Strategic Inv 100 Foreign PP Fund is part of the Infrastructure Program (formerly the Strategic Investment and Infrastructure Program). The Strategic Inv 100 Foreign PP Fund seeks to invest in tangible long-life assets with potential for strong cash flows and favourable risk-return characteristics that provide an attractive match with participants' liabilities. Investments in the Fund are global in scope and typically include physical assets that provide essential services such as utilities, energy, and transportation. The Fund invests directly in the equity of privately held companies and selectively through private limited partnerships managed by external fund managers. Occasionally, the Fund invests in publicly traded securities, or private or public debt instruments for the purpose of gaining a meaningful position in a company. These positions may be taken to effect privatization or to maintain exposure to companies that own certain infrastructure assets but may not be investable in private markets at attractive valuations. The investment objective of the Fund is to provide a nominal annual rate of return of at least 8 percent.

The Fund may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, common and/or preferred shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios,
- publicly traded common stock or common stock equivalents including preferred shares, instalment receipts, convertible securities, as well as rights and warrants received via corporate actions,
- derivatives, with CIO approval, such as, but not limited to, spot contracts, forwards, futures, swaps and options, to manage interest rate risk, currency exposure, and other investment risks,
- money market securities rated A-1(Low) or better and units of bcIMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3 (money market funds),
- publicly traded fixed income securities, and
- privately negotiated fixed income securities.

The following restrictions apply to the Fund's investing activities:

- No fund investment or direct investment will be made without extensive due diligence reviews being completed by bcIMC.
- The Funds may not sell short, borrow securities, or purchase securities via a margin account.
- The investments must comply with the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.

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9. Financial risk management (continued)

(a) Risk management framework (continued)

Renewable Resources Investment Funds

The Renewable Resources Investment Fund (formerly the Strategic Investment Real Estate Fund) and IT Investment Trust are part of the Renewable Resources Investment Funds Program. The Funds seek to invest in tangible long-life renewable resource assets with potential for strong cash flows and favourable risk-return characteristics that provide an attractive match with participants' liabilities. Investments in the Funds are global in scope and typically include physical assets that are used in the production of food for human consumption and wood-based products. Renewable resource assets targeted by the Funds will primarily include timberland plantations and farmlands, but may also target renewable resources used for energy production. The Funds invest directly in the equity of privately held companies and assets and selectively through private limited partnerships managed by external fund managers. Occasionally, the Funds invest in publicly traded securities, or private or public debt instruments for the purpose of gaining a meaningful position in a company. These positions may be taken to effect privatization or to maintain exposure to companies that own certain infrastructure assets but may not be investable in private markets at attractive valuations. The investment objective of the Funds is to provide a nominal annual rate of return of at least 7 percent.

The Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, common and/or preferred shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios,
- publicly traded common stock or common stock equivalents including preferred shares, instalment receipts, convertible securities, as well as rights and warrants received via corporate actions,
- derivatives, with CIO approval, such as, but not limited to, spot contracts, forwards, futures, swaps and options, to manage interest rate risk, currency exposure, and other investment risks,
- money market securities rated A-1(Low) or better and units of bcIMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3 (money market funds),
- publicly traded and privately negotiated fixed income securities and,
- real estate investments including, but not limited to, trust units, partnership interests, shares, and debt. Leverage is permitted on real estate to a maximum of 25 percent, however, another 5 percent is allowed for the assumption or renewal of existing debt.

The following restrictions apply to the Funds' investing activities:

- No fund or direct investment will be made without extensive due diligence reviews being completed by bcIMC.
- The Funds may not sell short, borrow securities, or purchase securities via a margin account.
- The investments must comply with the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.

Financial Risks

In the normal course of business, each Fund is exposed to financial risks including credit risk, liquidity risk, and market risk (including interest rate, currency and other price risks). The level of risk varies depending on the investment objective of the Fund and type of investments it holds.

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9. Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Fund's maximum exposure to credit risk.

To avoid undue credit risk, the Funds have established specific investment criteria, such as minimum credit ratings for investees and counterparties. Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving derivative contracts and securities lending. In order to minimize counterparty risk, counterparties are required to provide adequate collateral and meet minimum credit rating requirements. bcIMC management frequently monitors the credit rating of its counterparties as determined by recognized credit rating agencies.

The Funds' activities may also give rise to settlement risk. Settlement risk is the risk of loss due to failure of an entity to honour its obligations to deliver cash, securities, or other assets prior to the settlement of the transaction as contractually agreed. All investment transactions are settled or paid upon delivery with approved brokers. The risk of default is mitigated since the delivery of securities sold is made simultaneously with the broker receiving payment. Payment is made on a purchase once the securities have been received by the broker. The trade fails if either party fails to meet its obligations.

See additional discussion of credit risk in the Financial Risk Management Discussion following each Fund's financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. bcIMC's approach to managing liquidity risk is to ensure, as far as possible, that each Fund has sufficient liquidity to meet its liabilities when due. Each Fund is exposed to the liquidity risk associated with the requirement to redeem units. Units of a Fund may only be acquired by eligible clients or client groups in accordance with the respective Fund's purchasing limits that may be established by the Chief Investment Officer (CIO). In order to protect the interest of all clients, the CIO may also establish redemption limits for each Fund. The purchase and redemption limits may vary depending on market circumstances, client demand, and the liquidity of the underlying investments.

The Funds' cash position is monitored on a daily basis. In general, investments in cash and bcIMC Money Market Funds are expected to be highly liquid. bcIMC management utilizes appropriate measures and controls to monitor liquidity risk in order to ensure that there is sufficient liquidity to meet financial obligations as they come due. The Funds' liquidity position is monitored daily by taking into consideration future forecasted cash flows. This ensures that sufficient cash reserves are available to meet forecasted cash outflows.

See additional discussion of liquidity risk in the Financial Risk Management Discussion following each Fund's financial statements.

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9. Financial risk management (continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of its holdings of financial instruments. Each Fund's strategy for the management of market risk is driven by the Fund's investment objective. Investment objectives for the Funds are outlined in the notes specific to each Fund.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates.

The money market investments, bonds, derivatives and mortgages are subject to interest rate risk. The Funds that hold these investments have established duration bands based on their relevant benchmarks to avoid undue active interest rate risk.

See additional discussion of interest rate risk in the Financial Risk Management Discussion following each Fund's financial statements.

(ii) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Funds will fluctuate due to changes in foreign exchange rates.

Some Funds are exposed to currency risk through holding of investments, investment receivables and investment liabilities in various currencies. The Funds may use foreign currency contracts to hedge some foreign currency exposure on investment-related receivables and liabilities and engage in the buying and selling of currencies through the spot market, forward contracts, futures contracts, and/or options in order to achieve the desired currency exposure.

See additional discussion of currency risk in the Financial Risk Management Discussion following each Fund's financial statements.

(iii) Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

All financial instruments are subject to other price risk and a potential loss of capital. The maximum risk is determined by the market value of the financial instruments. The Funds may not sell short, borrow securities, or purchase securities on margin, which limits the potential loss of capital. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk.

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9. Financial risk management (continued)

(d) Market risk (continued)

(iii) Other price risk (continued)

Other market price risk arises from the Fund's investments in direct private equity, in direct private debt, and in unlisted private equity investee funds, whose valuation is based on the valuation of the underlying companies of those investee funds. The Fund invests in such financial assets in order to take advantage of their long-term growth. All investments present a risk of loss of capital. bcIMC management moderates this risk through careful selection of the investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid.

The Fund makes commitments to a diversified portfolio of private equity, private debt and private infrastructure funds, managed by managers with a strong track record. The Fund diversifies its portfolio of investee funds across managers, underlying industries, countries and investment stages.

bcIMC management follows a rigorous investment due diligence process prior to making an investment decision. bcIMC management considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the underlying manager of the investee funds through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an investment agreement, gathered information is confirmed through reference checks or through bcIMC's standing data and experience.

See additional discussion of other price risk in the Financial Risk Management Discussion following each Fund's financial statements.

10. Fair value of financial instruments

(a) Fair value hierarchy

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 inputs that are unobservable.

See additional discussion on the three-tier hierarchy in the Fair Value Measurement Discussion following each Fund's financial statements.

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10. 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.

The Funds use widely recognized valuation methods for determining the fair value of common and more simple financial instruments such as foreign currency contracts and money market instruments that use only observable market data which requires little management judgment and estimation. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, money market prices, and foreign currency exchange rates in estimating valuations of foreign currency contracts.

Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives. 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 products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, such as private equity and debt, the Funds use proprietary valuation models, which are usually developed from recognized valuation methods. 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 are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on 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 the Funds believe 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 Funds and the counterparties where appropriate.

(c) Valuation framework

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

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10. Fair value of financial instruments (continued)

(c) Valuation framework (continued)

In addition, bcIMC 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 ten to eighteen months by accredited independent appraisers;
- ◆ analysis and investigation of significant valuation movements; and
- ◆ review of unobservable inputs and valuation adjustments.

When third party information, such as broker quotes or pricing services, is used to measure fair value, then bcIMC management 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 the Funds 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;
- ◆ when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- ◆ if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

(d) Financial instruments not measured at fair value

The carrying value of cash, receivable from sale of investments, receivable from issuance of units, accrued variation margin income, dividends receivable, interest receivable, other receivables, payable for purchase of investments, payable for redemption of units, bcIMC funds management fees payable, and custodial fees payable approximates 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.

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11. Income taxes

Net cumulative capital losses and non-capital losses for each Fund are as follows:

Pooled Investment Portfolios (in \$000s)	As of December 31, 2014		As of December 31, 2013	
	Net Capital Losses	Non-capital Losses	Net Capital Losses	Non-capital Losses
Mezzanine Mortgage Fund	-	-	-	-
Private Placement Fund 1996	(170)	-	(170)	-
Private Placement Fund 1997	(185)	-	(185)	-
Private Placement Fund 1998	(94)	-	(94)	-
Private Placement Fund 1999	(35)	-	(35)	(688)
Private Placement Fund 1999A	(29)	(188)	(29)	(131)
2000 Private Placement Fund	(1,559)	-	(1,559)	-
2001 Private Placement Fund	(6)	-	(6)	-
2002 Private Placement Fund	(7)	-	(7)	-
2003 Private Placement Fund	(9)	-	(9)	-
2004 Private Placement Fund	-	-	-	-
2005 Private Placement Fund	(7)	-	(6)	-
2006 Private Placement Fund	(3,405)	-	(3,405)	-
2007 Private Placement Fund	-	-	-	-
2008 Private Placement Fund	(3,161)	-	(3,161)	-
2009 Private Placement Fund	(3)	-	(1)	-
2010 Private Placement Fund	-	-	-	(475)
2011 Private Placement Fund	-	(274)	-	(1,136)
2012 Private Placement Fund	-	-	-	-
2013 Private Placement Fund	-	-	-	(2,168)
2014 Private Placement Fund	-	(2,661)	-	-
Strategic Inv 100 Foreign PP Fund	(87,908)	-	(23,339)	-
Renewable Resources Investment Fund	-	(326)	-	(326)
IT Investment Trust	-	(230)	-	(129)
	<u>(96,578)</u>	<u>(3,679)</u>	<u>(32,006)</u>	<u>(5,053)</u>

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11. Income taxes (continued)

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income. The Funds' non-capital losses expire as follows:

Pooled Investment Portfolios (in \$000s)	Year of Expiry							
	2028	2029	2030	2031	2032	2033	2034	Total
Mezzanine Mortgage Fund	-	-	-	-	-	-	-	-
Private Placement Fund 1996	-	-	-	-	-	-	-	-
Private Placement Fund 1997	-	-	-	-	-	-	-	-
Private Placement Fund 1998	-	-	-	-	-	-	-	-
Private Placement Fund 1999	-	-	-	-	-	-	-	-
Private Placement Fund 1999A	-	-	-	(51)	-	(79)	(58)	(188)
2000 Private Placement Fund	-	-	-	-	-	-	-	-
2001 Private Placement Fund	-	-	-	-	-	-	-	-
2002 Private Placement Fund	-	-	-	-	-	-	-	-
2003 Private Placement Fund	-	-	-	-	-	-	-	-
2004 Private Placement Fund	-	-	-	-	-	-	-	-
2005 Private Placement Fund	-	-	-	-	-	-	-	-
2006 Private Placement Fund	-	-	-	-	-	-	-	-
2007 Private Placement Fund	-	-	-	-	-	-	-	-
2008 Private Placement Fund	-	-	-	-	-	-	-	-
2009 Private Placement Fund	-	-	-	-	-	-	-	-
2010 Private Placement Fund	-	-	-	-	-	-	-	-
2011 Private Placement Fund	-	-	-	(108)	-	(166)	-	(274)
2012 Private Placement Fund	-	-	-	-	-	-	-	-
2013 Private Placement Fund	-	-	-	-	-	-	-	-
2014 Private Placement Fund	-	-	-	-	-	-	(2,661)	(2,661)
Strategic Inv 100 Foreign PP Fund	-	-	-	-	-	-	-	-
Renewable Resources Investment Fund	-	-	-	-	-	-	(326)	(326)
IT Investment Trust	-	-	-	-	-	(95)	(135)	(230)
	-	-	-	(159)	-	(340)	(3,180)	(3,679)

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12. Transition to IFRS

The nature and the effect of the Funds' transition to IFRS is summarized below.

(a) Transition elections

The only voluntary exemption adopted by the Funds upon transition was the ability to designate a financial asset or financial liability at Fair Value Through Profit and Loss (FVTPL) upon transition to IFRS. All financial assets designated at FVTPL upon transition were previously carried at fair value under Canadian GAAP as required by Accounting Guideline 18, *Investment Companies*.

(b) Classification of redeemable units issued by the Funds

On transition to IFRS, bcIMC has reassessed whether the Funds' units meet the criteria in IAS 32 for classification as equity. Under Canadian GAAP, the Funds accounted for their redeemable units as equity. Under IFRS, IAS 32 requires that units or shares of an entity which include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset be classified as financial liability. The Funds' units do not meet the criteria in IAS 32 for classification as equity and therefore, have been reclassified as financial liabilities on transition to IFRS.

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12. Transition to IFRS (continued)

(c) Reconciliation of comprehensive income as previously reported under Canadian GAAP to IFRS

Pooled Investment Portfolios (in \$000s)	Year Ended December 31, 2013		
	Comprehensive income as reported under Canadian GAAP	Reclassification of distribution to holders of redeemable units to comprehensive income (refer to note (b) above)	Increase (decrease) in net assets attributable to holders of redeemable units
Mezzanine Mortgage Fund	14,463	(4,426)	10,037
Private Placement Fund 1996	(43)	(1,357)	(1,400)
Private Placement Fund 1997	2,627	(2,836)	(209)
Private Placement Fund 1998	1,891	(3,707)	(1,816)
Private Placement Fund 1999	18,618	-	18,618
Private Placement Fund 1999A	(505)	-	(505)
2000 Private Placement Fund	9,338	(9,490)	(152)
2001 Private Placement Fund	5,904	(3,774)	2,130
2002 Private Placement Fund	15,066	(7,255)	7,811
2003 Private Placement Fund	19,608	(11,995)	7,613
2004 Private Placement Fund	5,052	(2,970)	2,082
2005 Private Placement Fund	117,433	(83,614)	33,819
2006 Private Placement Fund	152,356	(23,744)	128,612
2007 Private Placement Fund	154,261	(48,674)	105,587
2008 Private Placement Fund	239,315	(71,440)	167,875
2009 Private Placement Fund	60,063	(1,463)	58,600
2010 Private Placement Fund	26,988	-	26,988
2011 Private Placement Fund	22,420	-	22,420
2012 Private Placement Fund	55,380	(659)	54,721
2013 Private Placement Fund	53,547	-	53,547
2014 Private Placement Fund	-	-	-
Strategic Inv 100 Foreign PP Fund	338,472	(628,667)	(290,195)
Renewable Resources Investment Fund	45,276	(6,362)	38,914
IT Investment Trust	1,207	-	1,207
	<u>1,358,737</u>	<u>(912,433)</u>	<u>446,304</u>

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12. Transition to IFRS (continued)

(d) Reclassification adjustments

In addition to the measurement adjustments noted in 12(c), the Strategic Inv 100 Foreign PP Fund reclassified certain amounts upon transition in order to conform to its financial statement presentation under IFRS. Withholding taxes of \$1,020,000 which were previously netted against dividend income in fiscal year 2013 under Canadian GAAP, have been reclassified and presented separately as expense under IFRS. Similarly, other income of \$46,000 which was previously netted against administrative and professional fees in fiscal year 2013 under Canadian GAAP, has been reclassified and presented separately as revenue under IFRS.