

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

Pooled Fund Financial Statements

DECEMBER 2016



INVESTING RESPONSIBLY FOR RESULTS



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
GROUP OF FUNDS

Canadian Money Market Fund ST1
Canadian Money Market Fund ST2
U.S. Dollar Money Market Fund ST3
LIBOR Floating Rate Fund
Short Term Bond Fund
Canadian Universe Bond Fund
Canadian Real Return Bond Fund
High Yield Bond Fund
Global Government Bond Fund
Fixed Term Mortgage Fund
Construction Mortgage Fund
Active Canadian Equity Fund
Active Canadian Small Cap Equity Fund
Enhanced Indexed Canadian Equity Fund
Indexed Canadian Equity Fund
Active U.S. Equity Fund
Active U.S. Small Cap Equity Fund
Indexed U.S. Equity Fund
Active Asian Equity Fund
Indexed Asian Equity Fund
Active European Equity Fund
Indexed European Equity Fund
Active Global Equity Fund
Enhanced Indexed Global Equity Fund
Indexed Global Equity Fund
Indexed Global ESG Equity Fund
Active Emerging Markets Equity Fund
Indexed Emerging Markets Equity Fund
Thematic Public Equity Fund

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2016

**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 period ended December 31, 2016:

Canadian Money Market Fund ST1	Construction Mortgage Fund	Active European Equity Fund
Canadian Money Market Fund ST2	Active Canadian Equity Fund	Indexed European Equity Fund
U.S. Dollar Money Market Fund ST3	Active Canadian Small Cap Equity Fund	Active Global Equity Fund
LIBOR Floating Rate Fund	Enhanced Indexed Canadian Equity Fund	Enhanced Indexed Global Equity Fund
Short Term Bond Fund	Indexed Canadian Equity Fund	Indexed Global Equity Fund
Canadian Universe Bond Fund	Active U.S. Equity Fund	Indexed Global ESG Equity Fund
Canadian Real Return Bond Fund	Active U.S. Small Cap Equity Fund	Active Emerging Markets Equity Fund
High Yield Bond Fund	Indexed U.S. Equity Fund	Indexed Emerging Markets Equity Fund
Global Government Bond Fund	Active Asian Equity Fund	Thematic Public Equity Fund
Fixed Term Mortgage Fund	Indexed Asian Equity 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 receiving 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 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.

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer / Chief Investment Officer

[S] Lawrence E. Davis

Lawrence E. Davis
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):**

Canadian Money Market Fund ST1	Active U.S. Equity Fund
Canadian Money Market Fund ST2	Active U.S. Small Cap Equity
U.S. Dollar Money Market Fund ST3	Indexed U.S. Equity Fund
LIBOR Floating Rate Fund	Active Asian Equity Fund
Short Term Bond Fund	Indexed Asian Equity Fund
Canadian Universe Bond Fund	Active European Equity Fund
Canadian Real Return Bond Fund	Indexed European Equity Fund
High Yield Bond Fund	Active Global Equity Fund
Global Government Bond Fund	Enhanced Indexed Global Equity
Fixed Term Mortgage Fund	Indexed Global Equity Fund
Construction Mortgage Fund	Indexed Global ESG Equity
Active Canadian Equity Fund	Active Emerging Markets Equity
Active Canadian Small Cap Equity Fund	Indexed Emerging Markets
Enhanced Indexed Canadian Equity	Thematic Public Equity Fund
Indexed Canadian Equity Fund	

(collectively, the Funds).

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position of the Funds as at December 31, 2016, and their statements of comprehensive income, changes in net assets attributable to holders of redeemable units, and cash flows for the year then ended (period from inception on February 26, 2016 only for the LIBOR Floating Rate Fund; period from inception on January 8, 2016 to December 31, 2016 only for the High Yield Bond Fund), 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 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, 2016, and their financial performance and their cash flows for the year then ended (period from inception on February 26, 2016 only for the LIBOR Floating Rate Fund; period from inception on January 8, 2016 to December 31, 2016 only for the High Yield Bond Fund) in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

April 5, 2017
Vancouver, Canada

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST1

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ -	\$ 1
Investments		<u>557,777</u>	<u>2,913,078</u>
		<u>557,777</u>	<u>2,913,079</u>
Liabilities			
Payable for purchase of investments		-	162,902
bclMC funds management fees payable	4	71	125
Other accounts payable		-	15
		<u>71</u>	<u>163,042</u>
Net assets attributable to holders of redeemable units		<u>\$ 557,706</u>	<u>\$ 2,750,037</u>
<i>Number of redeemable units outstanding</i>	5	147.972	733.327
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,769</u>	<u>\$ 3,750</u>
<i>Contingent Liability</i>	6		

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 9,149	\$ 23,743
Securities lending income		4	21
Change in fair value of investments:	7		
Net realized gain		17	84
Net change in unrealized appreciation		<u>7</u>	<u>76</u>
Total revenue		<u>9,177</u>	<u>23,924</u>
Expenses:			
bclMC funds management fees	4	1,040	1,962
Administrative fees		<u>27</u>	<u>59</u>
Total operating expenses		<u>1,067</u>	<u>2,021</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>8,110</u>	<u>21,903</u>
Distributions to holders of redeemable units:			
From net investment income		(8,086)	(21,741)
From net realized gain on investments		<u>(17)</u>	<u>(84)</u>
		<u>(8,103)</u>	<u>(21,825)</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 7</u>	<u>\$ 78</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST1

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 2,750,037	\$ 3,979,048
Increase in net assets attributable to holders of redeemable units	7	78
Redeemable unit transactions:		
Proceeds from units issued	25,408,277	38,742,573
Reinvestment of distributions	8,103	21,825
Amounts paid for units redeemed	<u>(27,608,718)</u>	<u>(39,993,487)</u>
Net decrease from redeemable unit transactions	<u>(2,192,338)</u>	<u>(1,229,089)</u>
Balance, end of year	<u>\$ 557,706</u>	<u>\$ 2,750,037</u>

Statement of Cash Flows

(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 7	\$ 78
Adjustments for:		
Interest income	(9,149)	(23,743)
Net realized gain from investments	(17)	(84)
Net change in unrealized appreciation from investments	(7)	(76)
Amortization of premiums and discounts	(8,814)	(19,703)
Non cash distributions	8,103	21,825
Proceeds from sale of investments	139,880,738	356,203,018
Amounts paid for purchase of investments	(137,516,599)	(355,117,728)
Payable for purchase of investments	(162,902)	162,902
bcIMC funds management fees payable	(54)	17
Other accounts payable	(15)	1
Interest received	9,149	24,408
	<u>2,200,440</u>	<u>1,250,915</u>
Financing activities:		
Proceeds from issue of redeemable units	25,408,277	38,742,573
Payments on redemption of redeemable units	<u>(27,608,718)</u>	<u>(39,993,487)</u>
	<u>(2,200,441)</u>	<u>(1,250,914)</u>
Net increase (decrease) in cash	(1)	1
Cash, beginning of year	<u>1</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ 1</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST1

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Money Market Investments:				
Provincial Government	\$ 205,450	\$ 205,453	\$ 2,154,810	\$ 2,154,833
Municipal Government	339,398	339,398	484,875	484,858
Repurchase Agreements	12,929	12,929	273,393	273,397
Total Investments	\$ 557,777	\$ 557,780	\$ 2,913,078	\$ 2,913,088

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN MONEY MARKET FUND ST1

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

The Canadian Money Market Fund ST1 (the Fund) invests in very short term debt securities that are issued, insured, or guaranteed by the Canadian government and repurchase agreements secured by Canadian government debt securities. The Fund assumes minimal risk. The investment objective of the Fund is to exceed the returns of the benchmark, the FTSE TMX Canada 30 Day T-Bill Index, by 5 basis points per annum net of all investment expenses incurred. The primary goals are to minimize market risk and maximize liquidity.

The Fund can hold the following securities:

- fixed income securities that are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government,
- repurchase agreement investments secured by fixed income securities which are issued, insured or guaranteed by the Government of Canada or a provincial government,
- exchange-traded and cleared over-the-counter derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, and
- swapped deposits (fully hedged US pay securities of Canadian issuers that meet investment guideline criteria).

The following restrictions apply to the Fund:

- The maximum term to maturity of the securities is 45 days.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the termination of any affected derivative transaction so as to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

As at December 31, the Fund invested in debt instruments with the following credit ratings:

INVESTMENTS
BY CREDIT RATING
(in 000s)

	2016		2015	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 345,893	62.0 %	\$ 910,472	31.3 %
A	198,955	35.7 %	1,729,213	59.3 %
Repurchase agreements (not rated)	12,929	2.3 %	273,393	9.4 %
Total Money Market Investments and Bonds	<u>\$ 557,777</u>	<u>100.0 %</u>	<u>\$ 2,913,078</u>	<u>100.0 %</u>

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the Fund invested in fixed income instruments with terms to maturity within 45 days, and a weighted average effective yield of 0.72% (2015 - 0.64%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$3,934,000 (2015 - \$1,515,000), representing 0.71% of the Fund's net assets (2015 - 0.06%). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN MONEY MARKET FUND ST1

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

Currency Risk

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

Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Investments by Geographic Region

All of the Fund's money market investments are exposed to the Canadian market.

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

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 table below analyzes 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 noted in the tables below are recurring.

		December 31, 2016		
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)				
Money Market Investments	\$	-	\$557,777	\$557,777
Total Investments	\$	-	\$557,777	\$557,777

		December 31, 2015		
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)				
Money Market Investments	\$	-	\$2,913,078	\$2,913,078
Total Investments	\$	-	\$2,913,078	\$2,913,078

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST2

Statement of Financial Position (all amounts in thousands except number of units)			
	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 4	\$ -
Interest receivable		1,137	8,199
Security lending revenue receivable		1	-
Investments		3,151,800	5,406,021
		<u>3,152,942</u>	<u>5,414,220</u>
Liabilities			
Payable for purchase of investments		124,408	-
bclMC funds management fees payable	4	226	265
Other accounts payable		-	13
		<u>124,634</u>	<u>278</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,028,308</u>	<u>\$ 5,413,942</u>
<i>Number of redeemable units outstanding</i>	5	753.903	1,358.113
Net assets attributable to holders of redeemable units per unit		<u>\$ 4,017</u>	<u>\$ 3,986</u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Income (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 35,109	\$ 41,847
Securities lending income		148	301
Change in fair value of investments:	7		
Net realized gain		522	1,418
Net change in unrealized appreciation		375	2,658
Total revenue		<u>36,154</u>	<u>46,224</u>
Expenses:			
bclMC funds management fees	4	2,882	2,511
Administrative fees		64	67
Total operating expenses		<u>2,946</u>	<u>2,578</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>33,208</u>	<u>43,646</u>
Distributions to holders of redeemable units:			
From net investment income		(32,310)	(39,569)
From net realized gain on investments		(522)	(1,389)
		<u>(32,832)</u>	<u>(40,958)</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 376</u>	<u>\$ 2,688</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST2

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 5,413,942	\$ 4,432,739
Increase in net assets attributable to holders of redeemable units	376	2,688
Redeemable unit transactions:		
Proceeds from units issued	12,622,897	11,351,479
Reinvestment of distributions	32,832	40,958
Amounts paid for units redeemed	<u>(15,041,739)</u>	<u>(10,413,922)</u>
Net increase (decrease) from redeemable unit transactions	<u>(2,386,010)</u>	<u>978,515</u>
Balance, end of year	<u>\$ 3,028,308</u>	<u>\$ 5,413,942</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 376	\$ 2,688
Adjustments for:		
Interest income	(35,109)	(41,847)
Net realized gain from investments	(522)	(1,418)
Net change in unrealized appreciation from investments	(375)	(2,658)
Amortization of premiums and discounts	(12,433)	(11,881)
Non cash distributions	32,832	40,958
Proceeds from sale of investments	81,985,114	142,413,275
Amounts paid for purchase of investments	(79,717,563)	(143,376,311)
Security lending revenue receivable	(1)	-
Payable for purchase of investments	124,408	-
bcIMC funds management fees payable	(39)	111
Other accounts payable	(13)	1
Interest received	42,171	39,525
	<u>2,418,846</u>	<u>(937,557)</u>
Financing activities:		
Proceeds from issue of redeemable units	12,622,897	11,351,479
Payments on redemption of redeemable units	<u>(15,041,739)</u>	<u>(10,413,922)</u>
	<u>(2,418,842)</u>	<u>937,557</u>
Net increase in cash	4	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ 4</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST2

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 300,729	\$ 300,706	\$ -	\$ -
Municipal Government	-	-	136,433	136,473
Corporate	758,628	758,215	1,105,867	1,105,864
	<u>1,059,357</u>	<u>1,058,921</u>	<u>1,242,300</u>	<u>1,242,337</u>
Money Market Investments:				
Federal Government	1,379,495	1,379,608	2,520,890	2,520,956
Provincial Government	-	-	578,236	578,199
Repurchase Agreements	712,948	712,697	1,064,595	1,064,330
	<u>2,092,443</u>	<u>2,092,305</u>	<u>4,163,721</u>	<u>4,163,485</u>
Total Investments	<u><u>\$ 3,151,800</u></u>	<u><u>\$ 3,151,226</u></u>	<u><u>\$ 5,406,021</u></u>	<u><u>\$ 5,405,822</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN MONEY MARKET FUND ST2

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

The Canadian Money Market Fund ST2 (the Fund) invests in government and corporate debt securities, including commercial paper. The investment objective of the Fund is to exceed the returns of the benchmark, the FTSE TMX Canada 91 Day T-Bill Index, by 20 basis points per annum net of all investment expenses incurred.

The Fund can hold the following securities:

- fixed income securities that are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government,
- Canadian dollar denominated fixed income securities issued or guaranteed by a sovereign government,
- Canadian dollar denominated fixed income securities issued or guaranteed by supranational entities including, but not limited to, the World Bank, the International Bank for Reconstruction and Development, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank and Inter-American Development bank,
- corporate bonds, issued in Canadian dollars,
- corporate commercial paper, issued in Canadian dollars,
- asset-backed securities, issued in Canadian dollars,
- unrated Canadian dollar denominated corporate paper (i.e. debt issued by credit unions) up to one percent of the Fund's assets,
- repurchase agreement investments secured by fixed income securities which are issued, insured or guaranteed by the Government of Canada or a provincial government,
- derivative instruments for the purpose of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, and
- swapped deposits (fully hedged US pay securities of Canadian issuers that meet investment guideline criteria).

The following restrictions apply to the Fund:

- Not more than 10 percent of money market investments can be invested in one corporation with the exception that the Fund may hold up to 15 percent of the Fund's assets in any one Schedule One bank.
- Corporate and government short term debt securities issued by non-Canadian entities held by the Fund shall be rated A-1 (low) or better by Standard & Poor's or have an equivalent rating from another credit rating agency. Longer term corporate and foreign government issued debt investments must be rated A- or better by Standard & Poor's or have an equivalent rating from another credit rating agency

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

- The maximum term to maturity of the securities (including callable bonds) is 15 months.
- Not more than 25% of the total Fund can be invested in corporate commercial paper rated A-1 (low).
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction so as to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

As at December 31 the Fund invested in debt instruments with the following credit ratings:

INVESTMENTS

BY CREDIT RATING
(in 000s)

	2016		2015	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 1,901,329	60.4 %	\$ 3,406,383	63.1 %
A	1,113,440	35.3 %	1,873,103	34.6 %
BBB	-	- %	124,972	2.3 %
Not rated	137,031	4.3 %	1,563	- %
Total Bonds and Money Market Investments	<u>\$ 3,151,800</u>	<u>100.0 %</u>	<u>\$ 5,406,021</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN MONEY MARKET FUND ST2

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

As at December 31, 2016 and December 31, 2015, the Fund invested in fixed income instruments with terms to maturity within 365 days, and a weighted average effective yield of 0.74% (2015 - 0.77%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$23,449,000 (2015 - \$24,920,000), representing 0.77% of the Fund's net assets (2015 - 0.46%). Actual trading 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 assets and liabilities are denominated in Canadian dollars.

Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Management monitors the concentration of risk for debt securities based on counterparties, sector and geographic location. The Fund's debt instruments are all issued or guaranteed by the Government of Canada, provincial or municipal governments.

Investments by Geographic Region

All of the Fund's money market investments are exposed to the Canadian market.

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Bonds	\$ -	\$1,059,357	\$1,059,357
Money Market Investments	-	2,092,443	2,092,443
Total Investments	\$ -	\$3,151,800	\$3,151,800

	December 31, 2015		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Bonds	\$ -	\$1,242,300	\$1,242,300
Money Market Investments	-	4,163,721	4,163,721
Total Investments	\$ -	\$5,406,021	\$5,406,021

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

U.S. DOLLAR MONEY MARKET FUND ST3

Statement of Financial Position

(all amounts in thousands of U.S. dollars *except number of units*)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 282	\$ 133,705
Interest receivable		-	9
Investments		<u>169,695</u>	<u>-</u>
		<u>169,977</u>	<u>133,714</u>
Liabilities			
bclMC funds management fees payable	4	1	2
Other accounts payable		<u>5</u>	<u>4</u>
		<u>6</u>	<u>6</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 169,971</u></u>	<u><u>\$ 133,708</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>77.828</i>	<i>61.367</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,184</u></u>	<u><u>\$ 2,179</u></u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands of U.S. dollars)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 329	\$ 92
Change in fair value of investments:	7		
Net realized gain (loss)		<u>1</u>	<u>(2)</u>
Total revenue		<u>330</u>	<u>90</u>
Expenses:			
bclMC funds management fees	4	86	184
Administrative fees		<u>14</u>	<u>10</u>
Total operating expenses		<u>100</u>	<u>194</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>230</u>	<u>(104)</u>
Distributions to holders of redeemable units:			
From net investment income		<u>(86)</u>	<u>-</u>
		<u>(86)</u>	<u>-</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 144</u></u>	<u><u>\$ (104)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

U.S. DOLLAR MONEY MARKET FUND ST3

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

(all amounts in thousands of U.S. dollars)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 133,708	\$ 183,825
Increase (decrease) in net assets attributable to holders of redeemable units	144	(104)
Redeemable unit transactions:		
Proceeds from units issued	1,597,132	1,105,658
Reinvestment of distributions	86	-
Amounts paid for units redeemed	<u>(1,561,099)</u>	<u>(1,155,671)</u>
Net increase (decrease) from redeemable unit transactions	<u>36,119</u>	<u>(50,013)</u>
Balance, end of year	<u>\$ 169,971</u>	<u>\$ 133,708</u>

Statement of Cash Flows

(all amounts in thousands of U.S. dollars)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 144	\$ (104)
Adjustments for:		
Interest income	(329)	(92)
Net realized (gain) loss from investments	(1)	2
Amortization of premiums and discounts	(335)	(92)
Non cash distributions	86	-
Proceeds from sale of investments	5,038,450	2,147,873
Amounts paid for purchase of investments	(5,207,809)	(1,963,937)
bclMC funds management fees payable	(1)	(14)
Other accounts payable	1	(1)
Interest received	338	83
	<u>(169,456)</u>	<u>183,718</u>
Financing activities:		
Proceeds from issue of redeemable units	1,597,132	1,105,658
Payments on redemption of redeemable units	<u>(1,561,099)</u>	<u>(1,155,671)</u>
	<u>36,033</u>	<u>(50,013)</u>
Net increase (decrease) in cash	(133,423)	133,705
Cash, beginning of year	<u>133,705</u>	<u>-</u>
Cash, end of year	<u>\$ 282</u>	<u>\$ 133,705</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

U.S. DOLLAR MONEY MARKET FUND ST3

Schedule of Investments

as at December 31

(all amounts in thousand of U.S. dollars)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Money Market Investments:				
Provincial Government	135,065	135,064	-	-
Repurchase Agreements	34,630	34,631	-	-
Total Investments	<u><u>\$ 169,695</u></u>	<u><u>\$ 169,695</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

U.S. DOLLAR MONEY MARKET FUND ST3

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

The U.S. Dollar Money Market Fund ST3 (the Fund) invests in short term government and corporate debt securities, including commercial paper. The investment objective of the Fund is to exceed the returns of the benchmark, the Citigroup 30 Day Treasury Bill Index, by 5 basis points per annum net of all expenses incurred.

The Fund can hold the following securities:

- US dollar denominated securities which are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government,
- United States Treasury Bills,
- US dollar denominated corporate commercial paper, issued by a Canadian corporation, that is rated A-1 (low) or better by Standard & Poor's or has an equivalent rating from another credit rating agency,
- US dollar denominated asset-backed securities, issued by a Canadian corporation, that is rated A-1 (low) or better by Standard and Poor's or has an equivalent rating from another credit rating agency,
- unrated Canadian corporate paper (i.e., debt issued by credit unions) up to one percent of the Fund's assets,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, and
- swapped deposits (fully hedged Canadian-pay securities of U.S. issuers that meet investment guideline criteria).

The following restrictions apply to the Fund:

- Not more than 10 percent of the market value of the Fund shall be invested in one corporation with the exception that the Fund can hold up to 15 percent of fund assets in any one Schedule One bank.
- Not more than 25 percent of the total portfolio can be invested in corporate commercial paper rated A-1 (low).
- The maximum term to maturity of the securities is 45 days.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

As at December 31 the Fund invested in debt instruments with the following credit ratings:

INVESTMENTS
BY CREDIT RATING
(in 000s of U.S. dollars)

	2016		2015	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 67,083	39.5 %	\$ -	- %
A - or better	67,982	40.1 %	-	- %
Not rated	34,630	20.4 %	-	- %
Total Money Market Investments	<u>\$ 169,695</u>	<u>100.0 %</u>	<u>\$ -</u>	<u>- %</u>

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

As at December 31, 2016, the Fund invested in fixed income instruments with terms to maturity within 21 days, and a weighted average effective yield of 0.04%.

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$65,000, representing 0.04% of the Fund's net assets. 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

U.S. DOLLAR MONEY MARKET FUND ST3

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

Currency Risk

The Fund is not exposed to significant currency risk since the Fund's assets and liabilities are denominated in U.S. dollars and the functional currency of the Fund is U.S. dollars.

Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Investments by Geographic Region

The Fund's money market investments are exposed to the Canadian market, as all of the investments are U.S. dollar denominated instruments issued by Canadian governments and corporations.

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s of U.S. dollars)	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Money Market Investments	\$ -	\$169,695	\$169,695
Total Investments	\$ -	\$169,695	\$169,695

(in 000s of U.S. dollars)	December 31, 2015		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Total Investments	\$ -	\$ -	\$ -

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

LIBOR FLOATING RATE FUND

Statement of Financial Position

(all amounts in thousands of U.S. dollars *except number of units*)

	Note	December 31, 2016 <i>(note 1)</i>
Assets		
Interest receivable		2,131
Investments		<u>1,138,736</u>
		<u>1,140,867</u>
Liabilities		
bclMC funds management fees payable	4	69
Other accounts payable		<u>2</u>
		<u>71</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,140,796</u></u>
<i>Number of redeemable units outstanding</i>	5	1,132.254
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,008</u></u>
<i>Contingent liability</i>	6	

Statement of Comprehensive Income

(all amounts in thousands of U.S. dollars)

	Note	Period Ended December 31, 2016 <i>(note 1)</i>
Revenue:		
Interest income		\$ 5,371
Change in fair value of investments:	7	
Net realized gain		190
Net change in unrealized appreciation		<u>1,064</u>
Total revenue		<u>6,625</u>
Expenses:		
bclMC funds management fees	4	378
Administrative fees		<u>6</u>
Total operating expenses		<u>384</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>6,241</u>
Distributions to holders of redeemable units:		
From net investment income		(4,986)
From net realized gains on investments		<u>(190)</u>
		<u>(5,176)</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 1,065</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

LIBOR FLOATING RATE FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

(all amounts in thousands of U.S. dollars)

	Period Ended December 31, 2016 <i>(note 1)</i>
Increase in net assets attributable to holders of redeemable units	1,065
Redeemable unit transactions:	
Proceeds from units issued	1,142,090
Reinvestment of distributions	5,176
Amounts paid for units redeemed	<u>(7,535)</u>
Net increase from redeemable unit transactions	<u>1,139,731</u>
Balance, end of period	<u>\$ 1,140,796</u>

Statement of Cash Flows

(all amounts in thousands of U.S. dollars)

	Period Ended December 31, 2016 <i>(note 1)</i>
Operating activities:	
Increase in net assets attributable to holders of redeemable units	\$ 1,065
Adjustments for:	
Interest income	(5,371)
Net realized gain from investments	(190)
Net change in unrealized appreciation from investments	(1,064)
Amortization of premiums and discounts	(186)
Non cash distributions	5,176
Proceeds from sale of investments	1,127,437
Amounts paid for purchase of investments	(2,264,733)
bclMC funds management fees payable	69
Other accounts payable	2
Interest received	<u>3,240</u>
	<u>(1,134,555)</u>
Financing activities:	
Proceeds from issue of redeemable units	1,142,090
Payments on redemption of redeemable units	<u>(7,535)</u>
	<u>1,134,555</u>
Net increase (decrease) in cash	<u>-</u>
Cash, end of period	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

LIBOR FLOATING RATE FUND

Schedule of Investments

as at December 31

(all amounts in thousand of U.S. dollars)

	2016	
	Fair Value	Cost
Bonds:		
Federal Government	\$ 488,314	\$ 488,009
Provincial Government	315,355	314,917
Corporate	203,199	203,028
	<u>1,006,868</u>	<u>1,005,954</u>
Money Market Investments:		
Repurchase Agreements	130,550	130,401
Units in bclMC Pooled Investment Portfolio		
Fund ST3	1,318	1,317
Total Investments	<u><u>\$ 1,138,736</u></u>	<u><u>\$ 1,137,672</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

LIBOR FLOATING RATE FUND

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

The LIBOR Floating Rate Fund (the Fund) allows participating bcIMC pooled Funds to earn a floating rate return that is linked to the benchmark reference rate, the US Dollar London Interbank Offered Rate. Ownership of the Fund is limited to bcIMC pooled funds. The functional currency of the Fund is U.S. dollars.

The Fund can hold the following securities:

- government and corporate debt securities with a minimum long-term credit rating of BBB- by Standard & Poor's, or a short term rating of A-1 (Low), or have an equivalent credit rating from another credit rating agency,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, and
- units in the Canadian Money Market Fund (ST1), Canadian Money Market Fund (ST2), U.S. Dollar Money Market Fund (ST3), and other bcIMC short-term fixed income pooled funds for cash, currency hedging and collateral management purposes.

The following restrictions apply to the Fund:

- The maximum term to maturity of the securities is 5 years.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

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

Credit Risk

As at December 31, the Fund invested in debt instruments with the following credit ratings:

INVESTMENTS
BY CREDIT RATING
(in 000s of U.S. dollars)

	2016	
	Total	% of Total
AAA/AA	\$ 584,320	58.0 %
A - or better	422,548	42.0 %
Not rated	-	- %
Total Bonds	\$ 1,006,868	100.0 %

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

LIBOR FLOATING RATE FUND

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

Interest Rate Risk

As at December 31, 2016, the Fund invested in fixed income instruments with terms to maturity within 3 years, and a weighted average effective yield of 0.95%.

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$19,291,000, representing 1.69% of the Fund's net assets. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BY MATURITY DATE
(in 000s)

	2016	
	Total	Avg Effective Yield
Within 1 year	\$ 373,571	0.74 %
1 to 3 years	763,847	1.05 %
Total Investments	<u>\$ 1,137,418</u>	<u>0.95 %</u>

Currency Risk

The Fund is not exposed to significant currency risk since the Fund's assets and liabilities are denominated in U.S. dollars and the functional currency of the Fund is U.S. dollars.

Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Investments by Geographic Region

The Fund's fixed income securities consist of U.S. dollar denominated securities issued by Canadian governments and corporations.

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s of U.S. dollars)			
Bonds	\$ -	\$ 1,006,868	\$ 1,006,868
Money Market Funds	1,318	-	1,318
Money Market Investments	-	130,550	130,550
Total Investments	<u>\$ 1,318</u>	<u>\$ 1,137,418</u>	<u>\$ 1,138,736</u>

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

During 2016 there were no significant transfers between the three levels in the hierarchy.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

LIBOR FLOATING RATE FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 169,971	\$ 1,318

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

SHORT TERM BOND FUND

Statement of Financial Position

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

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 353	\$ -
Receivable from issue of units		-	20,000
Interest receivable		12,288	6,268
Security lending revenue receivable		32	-
Investments		<u>3,466,126</u>	<u>1,638,870</u>
		<u>3,478,799</u>	<u>1,665,138</u>
Liabilities			
Payable for redemption of units		-	20,000
bclMC funds management fees payable	4	201	106
Other accounts payable		<u>7</u>	<u>10</u>
		<u>208</u>	<u>20,116</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 3,478,591</u></u>	<u><u>\$ 1,645,022</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>1,326.724</i>	<i>630.906</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,622</u></u>	<u><u>\$ 2,607</u></u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 24,983	\$ 24,235
Securities lending income		253	180
Change in fair value of investments:	7		
Net realized gain		5,174	15,120
Net change in unrealized appreciation (depreciation)		<u>(28,344)</u>	<u>6,694</u>
Total revenue		<u>2,066</u>	<u>46,229</u>
Expenses:			
bclMC funds management fees	4	1,497	1,308
Administrative fees		<u>29</u>	<u>33</u>
Total operating expenses		<u>1,526</u>	<u>1,341</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>540</u>	<u>44,888</u>
Distributions to holders of redeemable units:			
From net investment income		(23,710)	(23,074)
From net realized gains on investments		<u>(5,174)</u>	<u>(15,120)</u>
		<u>(28,884)</u>	<u>(38,194)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (28,344)</u></u>	<u><u>\$ 6,694</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

SHORT TERM BOND FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 1,645,022	\$ 1,807,130
Increase (decrease) in net assets attributable to holders of redeemable units	(28,344)	6,694
Redeemable unit transactions:		
Proceeds from units issued	2,515,448	436,560
Reinvestment of distributions	28,884	38,194
Amounts paid for units redeemed	(682,419)	(643,556)
Net increase (decrease) from redeemable unit transactions	1,861,913	(168,802)
Balance, end of year	\$ 3,478,591	\$ 1,645,022

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (28,344)	\$ 6,694
Adjustments for:		
Interest income	(24,983)	(24,235)
Net realized gain from investments	(5,174)	(15,120)
Net change in unrealized (appreciation) depreciation from investments	28,344	(6,694)
Amortization of premiums and discounts	36,806	24,168
Non cash distributions	28,884	38,194
Proceeds from sale of investments	1,823,971	10,461,919
Amounts paid for purchase of investments	(3,711,203)	(9,923,433)
Receivable from sale of investments	-	35,883
Receivable from issue of units	20,000	(20,000)
Security lending revenue receivable	(32)	-
Payable for purchase of investments	-	(416,711)
Payable for redemption of units	(20,000)	20,000
bcIMC funds management fees payable	95	25
Other accounts payable	(3)	-
Interest received	18,963	26,306
	<u>(1,832,676)</u>	<u>206,996</u>
Financing activities:		
Proceeds from issue of redeemable units	2,515,448	436,560
Payments on redemption of redeemable units	(682,419)	(643,556)
	<u>1,833,029</u>	<u>(206,996)</u>
Net increase in cash	353	-
Cash, beginning of year	-	-
Cash, end of year	\$ 353	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

SHORT TERM BOND FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 2,354,099	\$ 2,369,532	\$ 983,899	\$ 978,098
Provincial Government	784,677	786,019	283,122	280,018
Municipal Government	326,445	323,864	359,028	353,780
	<u>3,465,221</u>	<u>3,479,415</u>	<u>1,626,049</u>	<u>1,611,896</u>
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST1	<u>905</u>	<u>905</u>	<u>12,821</u>	<u>12,824</u>
Total Investments	<u><u>\$ 3,466,126</u></u>	<u><u>\$ 3,480,320</u></u>	<u><u>\$ 1,638,870</u></u>	<u><u>\$ 1,624,720</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

SHORT TERM BOND FUND

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

The investment objective of the Short Term Bond Fund (the Fund) is to exceed the return of the benchmark, the FTS TMX Canada Short Term Government Bond Index, by 15 basis points per annum, net of all investment expenses. The Fund is actively managed. The portfolio manager attempts to increase the returns relative to the Fund's benchmark by employing the following strategies:

- anticipating yield curve changes,
- anticipating credit spread changes,
- quality swaps, and
- yield pickups.

The Fund invests in the following securities:

- fixed income securities which are issued or guaranteed by the Government of Canada, a provincial or municipal government,
- Canadian dollar denominated fixed income securities which are issued, insured or guaranteed by sovereign governments or supranational entities, including, but not limited to, the World Bank, the International Bank for Reconstruction and Development, the Asian Development Bank, the European bank for Reconstruction and Development, the European Investment Bank or the Inter-American Development Bank,
- swapped deposits, defined as fully hedged US-pay securities of Canadian issuers that meet investment guideline criteria,
- units in Canadian Money Market Fund ST1 for cash management purposes,
- exchange-traded and cleared over-the-counter derivative instruments for the purposes of synthetic indexing risk control, lowering transaction costs, and/or liquidity management, and
- units in the Floating Rate Funds.

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

- The maximum term to maturity is five years (including callable bonds).
- Debt securities issued by non-Canadian entities must be rated BBB- or better by Standard & Poor's or have an equivalent rating from another credit rating agency.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

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

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

As at December 31, the Fund invested in debt instruments with the following credit ratings:

BONDS

BY CREDIT RATING
(in 000s)

	2016		2015	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 2,736,163	79.0 %	\$ 1,395,986	85.9 %
A	729,058	21.0 %	230,063	14.1 %
Total Bonds	<u>\$ 3,465,221</u>	<u>100.0 %</u>	<u>\$ 1,626,049</u>	<u>100.0 %</u>

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

SHORT TERM BOND FUND

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

Interest Rate Risk

As at December 31, the Fund invested in debt instruments with the following terms to maturity and average effective yield:

BONDS

BY MATURITY DATE
(in 000s)

	2016		2015	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 270,388	0.79 %	\$ 61,657	0.69 %
1 to 5 years	3,194,833	1.22 %	1,564,392	0.99 %
Total Bonds	\$ 3,465,221	1.19 %	\$ 1,626,049	0.98 %

The duration is to be managed within ± 20 percent of the benchmark duration, which was 3 years as at December 31, 2016. As at December 31, 2016, the Fund had a duration of 3 years (2015 - 3 years). The maximum term to maturity is 4 years (2015 - 4 years).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$97,372,000 (2015 - \$45,592,000), representing 2.8% of the Fund's net assets (2015 - 2.8%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Currency Risk

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

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

Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Management monitors the concentration of risk for debt securities based on counterparties, sector and geographic location. The Fund's debt investments are all issued or guaranteed by the Government of Canada, provincial or municipal governments.

Bonds by Geographic Region

All of the Fund's bond investments are exposed to the Canadian market.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

SHORT TERM BOND FUND

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Bonds	\$ -	\$ 3,465,221	\$ 3,465,221
Money Market Funds	905	-	905
Total Investments	<u>\$ 905</u>	<u>\$ 3,465,221</u>	<u>\$ 3,466,126</u>

(in 000s)	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Bonds	\$ -	\$ 1,626,049	\$ 1,626,049
Money Market Funds	12,821	-	12,821
Total Investments	<u>\$ 12,821</u>	<u>\$ 1,626,049</u>	<u>\$ 1,638,870</u>

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 bclMC	1	\$ 557,706	\$ 905

Entity	December 31, 2015		
	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 bclMC	1	\$ 2,750,037	\$ 12,821

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN UNIVERSE BOND FUND

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)			
	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 1,340	\$ -
Receivable from sale of investments		80,250	338,725
Receivable from issue of units		9,133	-
Interest receivable		43,382	55,863
Security lending revenue receivable		73	-
Investments		12,731,083	13,018,682
		<u>12,865,261</u>	<u>13,413,270</u>
Liabilities			
Payable for purchase of investments		29,113	334,296
Payable for redemption of units		9,133	-
bclMC funds management fees payable	4	890	639
Other accounts payable		26	44
		<u>39,162</u>	<u>334,979</u>
Net assets attributable to holders of redeemable units		<u>\$ 12,826,099</u>	<u>\$ 13,078,291</u>
<i>Number of redeemable units outstanding</i>	5	<i>7,348.694</i>	<i>7,659.537</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,745</u>	<u>\$ 1,707</u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Loss (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 297,079	\$ 332,916
Securities lending income		1,309	1,503
Change in fair value of investments:	7		
Net realized gain		322,587	284,834
Net change in unrealized depreciation		<u>(333,229)</u>	<u>(181,923)</u>
Total revenue		<u>287,746</u>	<u>437,330</u>
Expenses:			
bclMC funds management fees	4	9,313	7,927
Administrative fees		148	170
Total operating expenses		<u>9,461</u>	<u>8,097</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>278,285</u>	<u>429,233</u>
Distributions to holders of redeemable units:			
From net investment income		(288,924)	(326,322)
From net realized gains on investments		<u>(323,074)</u>	<u>(284,318)</u>
		<u>(611,998)</u>	<u>(610,640)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (333,713)</u>	<u>\$ (181,407)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN UNIVERSE BOND FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 13,078,291	\$ 13,273,149
Decrease in net assets attributable to holders of redeemable units	(333,713)	(181,407)
Redeemable unit transactions:		
Proceeds from units issued	580,746	961,410
Reinvestment of distributions	611,998	610,640
Amounts paid for units redeemed	(1,111,223)	(1,585,501)
Net increase (decrease) from redeemable unit transactions	81,521	(13,451)
Balance, end of year	\$ 12,826,099	\$ 13,078,291

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (333,713)	\$ (181,407)
Adjustments for:		
Interest income	(297,079)	(332,916)
Net realized gain from investments	(322,587)	(284,834)
Net change in unrealized depreciation from investments	333,229	181,923
Amortization of premiums and discounts	(3,922)	(26,649)
Non cash distributions	611,998	610,640
Proceeds from sale of investments	84,309,732	112,457,627
Amounts paid for purchase of investments	(84,028,853)	(112,243,729)
Receivable from sale of investments	258,475	160,262
Receivable from issue of units	(9,133)	-
Security lending revenue receivable	(73)	-
Payable for purchase of investments	(305,183)	(54,167)
Payable for redemption of units	9,133	-
bcIMC funds management fees payable	251	186
Other accounts payable	(18)	7
Interest received	309,560	337,148
	<u>531,817</u>	<u>624,091</u>
Financing activities:		
Proceeds from issue of redeemable units	580,746	961,410
Payments on redemption of redeemable units	(1,111,223)	(1,585,501)
	<u>(530,477)</u>	<u>(624,091)</u>
Net increase in cash	1,340	-
Cash, beginning of year	-	-
Cash, end of year	\$ 1,340	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN UNIVERSE BOND FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 2,718,599	\$ 2,762,636	\$ 3,959,259	\$ 3,932,803
Provincial Government	5,498,080	5,500,467	4,347,842	4,188,087
Municipal Government	149,440	142,558	51,695	43,659
Corporate	4,287,693	4,217,118	4,579,495	4,407,840
Supranational and Sovereign	48,708	47,135	66,051	66,103
	<u>12,702,520</u>	<u>12,669,914</u>	<u>13,004,342</u>	<u>12,638,492</u>
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST1	<u>28,563</u>	<u>28,564</u>	<u>14,340</u>	<u>14,356</u>
Total Investments	<u>\$ 12,731,083</u>	<u>\$ 12,698,478</u>	<u>\$ 13,018,682</u>	<u>\$ 12,652,848</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN UNIVERSE BOND FUND

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

The Canadian Universe Bond Fund (the Fund) invests in both government and investment-grade corporate debt securities, denominated in Canadian dollars. The investment objective of the Fund is to exceed the return of the Fund's benchmark, the FTSE TMX Canada Universe Bond Index, by 25 basis points per annum, net of all investment expenses. The Fund is actively managed. The portfolio manager attempts to increase the returns relative to the Fund's benchmark by employing the following strategies:

- anticipating yield curve changes,
- anticipating credit spread changes,
- quality swaps,
- yield pickups, and
- sector strategies.

The Fund invests in the following securities:

- fixed income securities that are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government,
- Canadian dollar denominated fixed income securities issued or guaranteed by a sovereign government or supranational entity,
- Canadian dollar denominated fixed income securities issued by corporations, trusts, income trusts, limited partnerships and non-profit entities such as airports, universities and pension funds,
- units in Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2 for cash management purposes,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, and
- units in the Floating Rate Funds.

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

- Corporate and government debt securities issued by non-Canadian entities held by the Fund shall be rated BBB- or better by Standard & Poor's, or have an equivalent rating from another credit rating agency.
- Not more than 10 percent of the market value of the Fund shall be invested in the debt of any one company.
- The Fund's allocation to corporate bonds shall not exceed 10 percentage points above the weighting of corporate bonds within the Index.
- The Fund's weighting of BBB bonds shall not exceed 5 percentage points above the weighting of BBB bonds within the Index.
- At inception, counterparties to all derivative contracts are restricted to financial

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

institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any issue is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction so as to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

As at December 31, the Fund invested in debt instruments with the following credit ratings:

**BONDS BY CREDIT RATING
(in 000s)**

	2016		2015	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 4,478,393	35.3 %	\$ 5,787,105	44.5 %
A	6,640,692	52.2 %	5,745,066	44.2 %
BBB	1,583,435	12.5 %	1,472,171	11.3 %
Total Bonds	<u>\$ 12,702,520</u>	<u>100.0 %</u>	<u>\$ 13,004,342</u>	<u>100.0 %</u>

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN UNIVERSE BOND FUND

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

Interest Rate Risk

As at December 31, the Fund invested in debt instruments with the following terms to maturity and average effective yield:

BONDS BY MATURITY DATE
(in 000s)

	2016		2015	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 11	0.67 %	\$ 31,572	1.20 %
1 to 5 years	5,809,851	1.68 %	3,583,990	1.59 %
5 to 10 years	3,274,759	3.02 %	5,638,052	2.22 %
Over 10 years	3,617,899	3.16 %	3,750,728	2.89 %
Total Bonds	<u>\$ 12,702,520</u>	<u>2.45 %</u>	<u>\$ 13,004,342</u>	<u>2.24 %</u>

The duration is to be managed within ± 20 percent of the benchmark duration, which was 7 years as at December 31, 2016. As at December 31, 2016, the Fund had a duration of 8 years (2015 - 7 years). The maximum term to maturity is 29 years (2015 -23 years).

If prevailing interest rates increased or decreased by 1% (100 bps), with all others variables held constant, net assets would have decreased or increased, respectively, by approximately \$964,248,000 (2015 - \$1,036,056,000), representing 7.5% of the Fund's net assets (2015 - 7.9%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Currency Risk

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

Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Management monitors the concentration of risk for debt securities based on counterparties, sector and geographic location. The Fund's debt investments are issued or guaranteed by the Government of Canada, provincial governments, municipal governments, sovereign governments, and corporate entities.

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

Bonds by Geographic Region

All of the Fund's bond investments are exposed to the Canadian market.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN UNIVERSE BOND FUND

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Money Market Funds	\$ 28,563	\$ -	\$ 28,563
Bonds	-	12,702,520	12,702,520
Total Investments	\$ 28,563	\$ 12,702,520	\$ 12,731,083

(in 000s)	December 31, 2015		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Money Market Funds	\$ 14,340	\$ -	\$ 14,340
Bonds	-	13,004,342	13,004,342
Total Investments	\$ 14,340	\$ 13,004,342	\$ 13,018,682

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 bclMC	1	\$ 557,706	\$ 28,563

Entity	December 31, 2015		
	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 bclMC	1	\$ 2,750,037	\$ 14,340

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN REAL RETURN BOND FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 4	\$ -
Receivable from sale of investments		39,117	-
Interest receivable		5,405	5,064
Security lending revenue receivable		7	-
Investments		<u>2,979,296</u>	<u>3,314,690</u>
		<u>3,023,829</u>	<u>3,319,754</u>
Liabilities			
bclMC funds management fees payable	4	196	152
Other accounts payable		<u>6</u>	<u>14</u>
		<u>202</u>	<u>166</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,023,627</u>	<u>\$ 3,319,588</u>
<i>Number of redeemable units outstanding</i>	5	<i>2,248.818</i>	<i>2,532.376</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,345</u>	<u>\$ 1,311</u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 84,605	\$ 65,650
Securities lending income		51	10
Change in fair value of investments:	7		
Net realized gain		31,954	94,094
Net change in unrealized depreciation		<u>(34,641)</u>	<u>(44,190)</u>
Total Revenue		<u>81,969</u>	<u>115,564</u>
Expenses:			
bclMC funds management fees	4	2,090	1,998
Administrative fees		<u>40</u>	<u>47</u>
Total operating expenses		<u>2,130</u>	<u>2,045</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>79,839</u>	<u>113,519</u>
Distributions to holders of redeemable units:			
From net investment income		(82,526)	(63,615)
From net realized gains on investments		<u>(31,665)</u>	<u>(93,200)</u>
		<u>(114,191)</u>	<u>(156,815)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (34,352)</u>	<u>\$ (43,296)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN REAL RETURN BOND FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 3,319,588	\$ 3,506,569
Decrease in net assets attributable to holders of redeemable units	(34,352)	(43,296)
Redeemable unit transactions:		
Reinvestment of distributions	114,191	156,815
Amounts paid for units redeemed	<u>(375,800)</u>	<u>(300,500)</u>
Net decrease from redeemable unit transactions	<u>(261,609)</u>	<u>(143,685)</u>
Balance, end of year	<u><u>\$ 3,023,627</u></u>	<u><u>\$ 3,319,588</u></u>

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (34,352)	\$ (43,296)
Adjustments for:		
Interest income	(84,605)	(65,650)
Net realized gain from investments	(31,954)	(94,094)
Net change in unrealized depreciation from investments	34,641	44,190
Amortization of premiums and discounts	32,216	26,581
Non cash distributions	114,191	156,815
Proceeds from sale of investments	6,924,698	4,241,319
Amounts paid for purchase of investments	(6,624,207)	(4,032,218)
Receivable from sale of investments	(39,117)	-
Security lending revenue receivable	(7)	-
bcIMC funds management fees payable	44	27
Other accounts payable	(8)	2
Interest received	84,264	66,824
	<u>375,804</u>	<u>300,500</u>
Financing activities:		
Payments on redemption of redeemable units	<u>(375,800)</u>	<u>(300,500)</u>
	<u>(375,800)</u>	<u>(300,500)</u>
Net increase in cash	4	-
Cash, beginning of year	<u>-</u>	<u>-</u>
Cash, end of year	<u><u>\$ 4</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN REAL RETURN BOND FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Bonds:				
Federal Government	\$ 2,347,158	\$ 2,269,296	\$ 2,514,667	\$ 2,398,212
Provincial Government	595,536	546,051	604,744	559,211
	<u>2,942,694</u>	<u>2,815,347</u>	<u>3,119,411</u>	<u>2,957,423</u>
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST1	<u>36,602</u>	<u>36,603</u>	<u>195,279</u>	<u>195,280</u>
Total Investments	<u><u>\$ 2,979,296</u></u>	<u><u>\$ 2,851,950</u></u>	<u><u>\$ 3,314,690</u></u>	<u><u>\$ 3,152,703</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN REAL RETURN BOND FUND

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

The investment objective of the Canadian Real Return Bond Fund (the Fund) is to exceed the return of the Fund's benchmark, the FTSE TMX Canada Real Return Bond Index, by 5 basis points per annum, net of all investment expenses incurred, with federal/provincial relative weightings managed close to those of the benchmark. The portfolio manager ensures that the Fund's characteristics are close to those of the benchmark, including modified duration, convexity, yield curve exposures, liquidity and sector composition.

The Fund invests in the following securities:

- real return debt securities issued, insured or guaranteed by the Government of Canada, a provincial or municipal government,
- nominal bonds issued, insured or guaranteed by the Government of Canada,
- exchange-traded and cleared over-the-counter derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and /or liquidity management,
- units of Canadian Money Market Fund ST1, and
- units in the Floating Rate Funds.

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

- Nominal bonds may only be held for cash and liquidity management purposes and may not exceed 10% of the market value of the pool.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the termination of any affected derivative transaction to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

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

Credit Risk

As at December 31, the Fund invested in debt instruments with the following credit ratings:

BONDS
BY CREDIT RATING
(in 000s)

	2016		2015	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 2,429,565	82.6 %	\$ 2,596,173	83.2 %
A	513,129	17.4 %	523,238	16.8 %
Total Bonds	<u>\$ 2,942,694</u>	<u>100.0 %</u>	<u>\$ 3,119,411</u>	<u>100.0 %</u>

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

As at December 31, the Fund invested in debt instruments with the following terms to maturity and average effective yield:

BONDS
BY MATURITY DATE
(in 000s)

	2016		2015	
	Total	Avg Effective Yield	Total	Avg Effective Yield
1 to 5 years	\$ 374,484	(0.07)%	\$ 13,513	0.10 %
5 to 10 years	299,980	0.21 %	735,594	0.50 %
Over 10 years	2,268,230	0.88 %	2,370,304	0.74 %
Total Bonds	<u>\$ 2,942,694</u>	<u>0.69 %</u>	<u>\$ 3,119,411</u>	<u>0.68 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN REAL RETURN BOND FUND

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

The duration is to be managed within ± 10 percent of the benchmark duration, which was 16 years as at December 31, 2016. As at December 31, 2016, the Fund had a duration of 17 years (2015 -17 years). The maximum term to maturity is 29 years (2015 -29 years).

If prevailing interest rates increased or decreased by 1% (100 bps) with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$455,235,000 (2015 - \$514,796,000), representing 15.1% of the Fund's net assets (2015 - 15.5%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Currency Risk

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

Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Management monitors the concentration of risk for debt securities based on counterparties and geographic location. The Fund's debt investments are issued by the Government of Canada and provincial governments.

Bonds by Geographic Region

All of the Fund's bond investments are exposed to the Canadian market.

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Bonds	\$ -	\$ 2,942,694	\$ 2,942,694
Money Market Funds	36,602	-	36,602
Total Investments	\$ 36,602	\$ 2,942,694	\$ 2,979,296

(in 000s)	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Bonds	\$ -	\$ 3,119,411	\$ 3,119,411
Money Market Funds	195,279	-	195,279
Total Investments	\$ 195,279	\$ 3,119,411	\$ 3,314,690

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN REAL RETURN BOND FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 36,602

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 195,279

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

HIGH YIELD BOND FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016 (note 1)
Assets		
Cash		\$ 6,448
Interest receivable		9,252
Security lending revenue receivable		58
Derivative assets:		
Foreign currency contracts		5
Investments		847,064
		<u>862,827</u>
Liabilities		
bclMC funds management fees payable	4	138
Other accounts payable		1
		<u>139</u>
Net assets attributable to holders of redeemable units		<u>\$ 862,688</u>
<i>Number of redeemable units outstanding</i>	5	819,625
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,053</u>
<i>Contingent liability</i>	6	

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Period Ended December 31, 2016 (note 1)
Revenue:		
Interest income		\$ 22,723
Dividend income		18,852
Securities lending income		282
Foreign exchange loss		(2,329)
Change in fair value of investments and derivatives:	7	
Net realized gain		37,194
Net change in unrealized appreciation		34,673
Total revenue		<u>111,395</u>
Expenses:		
bclMC funds management fees	4	1,620
Administrative fees		14
Commissions and stock exchange fees		294
Total operating expenses		<u>1,928</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>109,467</u>
Distributions to holders of redeemable units:		
From net investment income		(37,894)
From net realized gains on investments and derivatives		(36,932)
		<u>(74,826)</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 34,641</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

HIGH YIELD BOND FUND

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

	Period Ended December 31, 2016 <i>(note 1)</i>
Balance, beginning of period	\$ -
Increase in net assets attributable to holders of redeemable units	34,641
Redeemable unit transactions:	
Proceeds from units issued	1,015,794
Reinvestment of distributions	74,826
Amounts paid for units redeemed	<u>(262,573)</u>
Net increase from redeemable unit transactions	<u>828,047</u>
Balance, end of period	<u>\$ 862,688</u>

Statement of Cash Flows

(all amounts in thousands)

	Period Ended December 31, 2016 <i>(note 1)</i>
Operating activities:	
Increase in net assets attributable to holders of redeemable units	\$ 34,641
Adjustments for:	
Effect of exchange rate changes on cash	2,329
Interest income	(22,723)
Dividend income	(18,852)
Net realized gain from investments and derivatives	(37,194)
Net change in unrealized appreciation from investments and derivatives	(34,673)
Amortization of premiums and discounts	(523)
Non cash distributions	74,826
Proceeds from sale of investments	1,724,056
Amounts paid for purchase of investments	(2,498,735)
Security lending revenue receivable	(58)
bcIMC funds management fees payable	138
Other accounts payable	1
Interest received	13,471
Dividends received	<u>18,852</u>
	<u>(744,444)</u>
Financing activities:	
Proceeds from issue of redeemable units	1,015,794
Payments on redemption of redeemable units	<u>(262,573)</u>
	<u>753,221</u>
Net increase in cash	8,777
Effect of exchange rate changes on cash	(2,329)
Cash, beginning of year	<u>-</u>
Cash, end of period	<u>\$ 6,448</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

HIGH YIELD BOND FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016	
	Fair Value	Cost
Equities:		
Publicly Traded	\$ 199,244	\$ 186,169
Bonds:		
Corporate	625,260	603,530
Money Market Investments:		
Units in bclMC Pooled Investment Portfolio		
Fund ST1	531	531
Fund ST3	22,029	22,166
	22,560	22,697
Total Investments	\$ 847,064	\$ 812,396

Schedule of Foreign Currency Contracts

as at December 31
(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Mar 2017	CAD	<u>\$(5,000)</u>	USD	<u>\$5,005</u>	<u>\$ 5</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

HIGH YIELD BOND FUND

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

The investment objective of the High Yield Bond Fund (the Fund) is to provide a diversified portfolio of fixed income high yield securities, while exceeding the return of the Fund's benchmark, the Bank of America Merrill Lynch BB-B US Cash Pay High Yield Constrained Index (the Index), by 65 basis points per annum, net of all investment expenses incurred. The Fund is actively managed with total return being maximized through security selection, country selection, and the management of market risks.

The Fund can hold the following securities:

- fixed income securities,
- equity securities,
- exchange traded funds,
- derivatives for the purposes of synthetic indexing, risk control and lowering transaction costs,
- units of the Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, U.S. Dollar Money Market Fund ST3, and other bclMC short-term fixed income pooled funds for cash and collateral management purposes, and.
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Not more than 10% of the market value of the Fund can be invested in the debt of any one issuer.
- Not more than 10% of the market value of the Fund can be invested in equity securities, excluding fixed income exchange traded funds.
- Not more than 15% of the market value of the Fund can be invested in debt securities rated CCC, CCC- or CCC+ by Standard & Poor's or an equivalent rating from another credit rating agency.
- Not more than 10% of the market value of the Fund can be invested in the aggregate of (i) unrated debt securities, and (ii) debt securities rated below CCC-.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

As at December 31, the Fund invested in debt instruments with the following credit ratings:

BONDS
BY CREDIT RATING
(in 000s)

	2016	
	Total	% of Total
BBB	\$ 83,047	13.3 %
BB	392,113	62.7 %
B	150,100	24.0 %
Total Bonds	<u>\$ 625,260</u>	<u>100.0 %</u>

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

HIGH YIELD BOND FUND

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

Interest Rate Risk

As at December 31, the Fund invested in debt instruments with the following terms to maturity and average effective yield:

BY MATURITY DATE
(in 000s)

	2016	
	Total	Avg Effective Yield
1 to 5 years	\$ 245,375	2.66 %
5 to 10 years	304,233	2.73 %
Over 10 years	75,652	0.77 %
Total Bonds	\$ 625,260	2.47 %

If prevailing interest rates increased or decreased by 1% (100 bps), with all others variables held constant, net assets would have decreased or increased, respectively, by approximately \$39,873,000, representing 4.6% of the Fund's net assets. In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

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

Currency Risk

The Fund holds net assets, including foreign currency contracts, denominated in U.S. currency totalling \$862,225,000 CAD which represents 99.9% of the net asset value of the Fund. As at December 31, 2016, if the Canadian dollar had strengthened/weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$8,623,000 CAD. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The Fund's fixed income instruments are not exposed to significant other price risk. Management monitors the concentration of risk for debt securities based on counterparties and geographic location.

The Fund holds exchange traded funds that are exposed to other price risk. The exchange traded funds are based upon high yield bond indices, and match the movement of the market.

As at December 31, 2016, had the value of the exchange traded funds 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 \$19,924,000 or 2.3% of net assets attributable to redeemable units.

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

Bonds by Geographic Region

The Fund's debt securities are exposed to the U.S. market.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

HIGH YIELD BOND FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016			
	Level 1		Level 2	
	(Quoted Price in		(Significant	
	Active Market)		Observable	
(in 000s)			Inputs)	
			Total	
Public Equities	\$	199,244	\$	-
Bonds		-		625,260
Money Market Funds		22,560		-
Total Investments	\$	221,804	\$	625,260
Foreign Currency Contracts, Net		-		5
Total	\$	221,804	\$	625,265
			\$	847,069

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.

During 2016 there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 bclMC	2	\$ 727,677	\$ 22,560

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL GOVERNMENT BOND FUND

Statement of Financial Position (all amounts in thousands except number of units)				Statement of Comprehensive Income/(Loss) (all amounts in thousands)			
	Note	December 31, 2016	December 31, 2015		Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Assets				Revenue:			
Cash		\$ 1,358	\$ 14,810	Interest income		\$ 10,568	\$ 11,547
Receivable from sale of investments		10,972	46,888	Securities lending income		90	24
Interest receivable		4,746	5,382	Futures income/(loss)		(25)	1,051
Derivative assets:				Foreign exchange loss		(10)	(643)
Futures		130	51	Change in fair value of investments and derivatives:	7		
Foreign currency contracts		8,471	1,753	Net realized gain (loss)		32,333	(8,419)
Investments		749,188	708,276	Net change in unrealized appreciation (depreciation)		(17,219)	10,052
		<u>774,865</u>	<u>777,160</u>	Total revenue		<u>25,737</u>	<u>13,612</u>
Liabilities				Expenses:			
Payable for purchase of investments		10,744	-	bclMC funds management fees	4	998	1,242
bclMC funds management fees payable	4	84	106	Administrative fees		45	84
Other accounts payable		-	14	Total operating expenses		<u>1,043</u>	<u>1,326</u>
Derivative liabilities:							
Foreign currency contracts		3,122	40,819	Increase in net assets attributable to holders of redeemable units from operations excluding distributions		24,694	12,286
		<u>13,950</u>	<u>40,939</u>	Distributions to holders of redeemable units:			
Net assets attributable to holders of redeemable units		<u>\$ 760,915</u>	<u>\$ 736,221</u>	From net investment income		(9,603)	(10,653)
				From net realized gains on investments and derivatives		(42,307)	-
<i>Number of redeemable units outstanding</i>	5	574.555	574.555			<u>(51,910)</u>	<u>(10,653)</u>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,324</u>	<u>\$ 1,281</u>	Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (27,216)</u>	<u>\$ 1,633</u>
<i>Contingent liability</i>	6						

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL GOVERNMENT BOND FUND

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 736,221	\$ 723,935
Increase (decrease) in net assets attributable to holders of redeemable units	(27,216)	1,633
Redeemable unit transactions:		
Reinvestment of distributions	51,910	10,653
Net increase from redeemable unit transactions	51,910	10,653
Balance, end of year	\$ 760,915	\$ 736,221

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (27,216)	\$ 1,633
Adjustments for:		
Foreign exchange loss	10	643
Interest income	(10,568)	(11,547)
Net realized (gain) loss from investments and derivatives	(32,333)	8,419
Net change in unrealized (appreciation) depreciation from investments and derivatives	17,219	(10,052)
Amortization of premiums and discounts	6,049	6,221
Non cash distributions	51,910	10,653
Proceeds from sale of investments	928,208	724,443
Amounts paid for purchase of investments	(1,004,470)	(681,515)
Receivable from sale of investments	35,916	(46,888)
Net receivable for variation on futures	(79)	(51)
Payable for purchase of investments	10,744	-
bclMC funds management fees payable	(22)	35
Other accounts payable	(14)	4
Interest received	11,204	11,459
Net increase (decrease) in cash	(13,442)	13,457
Effect of exchange rate changes on cash	(10)	(643)
Cash, beginning of year	14,810	1,996
Cash, end of year	\$ 1,358	\$ 14,810

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL GOVERNMENT BOND FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Supranational and Sovereign	\$ 427,809	\$ 426,200	\$ 425,284	\$ 386,002
U.S. Federal Government	231,235	206,781	255,112	206,700
	<u>659,044</u>	<u>632,981</u>	<u>680,396</u>	<u>592,702</u>
Money Market Investments:				
Federal Government	2,992	2,992	2,998	2,999
Units in bclMC Pooled Investment Portfolio				
Fund ST1	48,227	48,226	22,645	22,644
Fund ST3	38,925	38,860	2,237	2,168
	<u>90,144</u>	<u>90,078</u>	<u>27,880</u>	<u>27,811</u>
Total Investments	<u>\$ 749,188</u>	<u>\$ 723,059</u>	<u>\$ 708,276</u>	<u>\$ 620,513</u>

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	JPY	\$(162,847)	CAD	\$ 167,458	\$ 4,611
2016	1	Jan 2017	EUR	(183,451)	CAD	184,926	1,475
2016	1	Jan 2017	GBP	(52,227)	CAD	52,624	397
2016	1	Jan 2017	AUD	(10,889)	CAD	11,148	259
2016	1	Jan 2017	DKK	(6,488)	CAD	6,533	45
2016	1	Feb 2017	USD	(287,087)	CAD	288,130	1,043
2016	2	Feb 2017	EUR	(181,802)	CAD	182,388	586
2016	1	Feb 2017	SEK	(3,100)	CAD	3,119	19
2016	1	Feb 2017	DKK	(6,490)	CAD	6,507	17
2016	1	Feb 2017	AUD	(10,672)	CAD	10,689	17
2016	2	Feb 2017	GBP	(52,502)	CAD	52,504	2
2016	1	Feb 2017	CAD	(1,148)	JPY	1,148	-
2016	1	Feb 2017	CAD	(11)	SEK	11	-
2016	1	Feb 2017	CAD	(4)	DKK	4	-
				<u>(958,718)</u>		<u>967,189</u>	<u>8,471</u>
2016	2	Jan 2017	CAD	(3,153)	SEK	3,133	(20)
2016	2	Jan 2017	CAD	(6,507)	DEK	6,488	(19)
2016	2	Jan 2017	CAD	(10,909)	AUD	10,889	(20)
2016	2	Jan 2017	CAD	(52,248)	GBP	52,227	(21)
2016	2	Jan 2017	CAD	(297,202)	USD	296,138	(1,064)
2016	2	Jan 2017	CAD	(184,120)	EUR	183,451	(669)
2016	1	Jan 2017	SEK	(3,134)	CAD	3,101	(33)
2016	2	Jan 2017	USD	(296,138)	CAD	294,959	(1,179)
2016	2	Jan 2017	CAD	(162,945)	JPY	162,848	(97)
2016	1	Feb 2017	CAD	(36)	AUD	36	-
2016	1	Feb 2017	CAD	(1,116)	USD	1,116	-
				<u>\$(1,017,508)</u>		<u>\$ 1,014,386</u>	<u>\$ (3,122)</u>
				<u>\$(1,976,226)</u>		<u>\$ 1,981,575</u>	<u>\$ 5,349</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL GOVERNMENT BOND FUND

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2015	1	Jan 2016	CAD	\$(310,203)	USD	\$ 310,275	\$ 72
2015	1	Jan 2016	CAD	(162,363)	JPY	162,773	410
2015	1	Jan 2016	GBP	(2,918)	CAD	2,936	18
2015	1	Jan 2016	EUR	(14,450)	CAD	14,513	63
2015	1	Feb 2016	EUR	(188,711)	CAD	189,510	799
2015	1	Feb 2016	GBP	(58,539)	CAD	58,895	356
2015	1	Feb 2016	SEK	(3,309)	CAD	3,309	-
2015	1	Feb 2016	AUD	(3,667)	CAD	3,675	8
2015	1	Feb 2016	DKK	(6,385)	CAD	6,412	27
				(750,545)		752,298	1,753
2015	1	Jan 2016	SEK	(3,369)	CAD	3,126	(243)
2015	1	Jan 2016	AUD	(3,623)	CAD	3,453	(170)
2015	1	Jan 2016	USD	(310,275)	CAD	297,457	(12,818)
2015	1	Jan 2016	DKK	(6,487)	CAD	6,058	(429)
2015	1	Jan 2016	EUR	(204,919)	CAD	191,198	(13,721)
2015	1	Jan 2016	GBP	(62,405)	CAD	61,104	(1,301)
2015	1	Jan 2016	JPY	(162,773)	CAD	152,460	(10,313)
2015	1	Jan 2016	CAD	(205,812)	EUR	204,919	(893)
2015	1	Jan 2016	CAD	(62,787)	GBP	62,405	(382)
2015	1	Jan 2016	CAD	(3,369)	SEK	3,369	-
2015	1	Jan 2016	CAD	(3,631)	AUD	3,623	(8)
2015	1	Jan 2016	CAD	(6,517)	DKK	6,488	(29)
2015	1	Jan 2016	USD	(37,203)	CAD	37,191	(12)
2015	1	Jan 2016	JPY	(9,368)	CAD	9,344	(24)
2015	1	Feb 2016	USD	(271,546)	CAD	271,481	(65)
2015	1	Feb 2016	JPY	(154,843)	CAD	154,432	(411)
				<u>\$(1,508,927)</u>		<u>\$1,468,108</u>	<u>\$(40,819)</u>
				<u>\$(2,259,472)</u>		<u>\$2,220,406</u>	<u>\$(39,066)</u>

Schedule of Futures Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Notional Value	Net Receivable (Payable)
2016	400	March 2017	\$ 51,700	\$ 130
2015	290	March 2016	\$ 40,835	\$ 51

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

The investment objective of the Global Government Bond Fund (the Fund) is to exceed the returns relative to the Fund's benchmark, the JP Morgan Global Investment Grade Government Bond Index (Hedged CAD) (the Index), by 15 basis points per annum, net of all investment expenses incurred. The Fund is actively managed and is a well diversified portfolio investing in global government debt securities. The portfolio manager attempts to increase the returns relative to the Fund's benchmark by employing the following strategies:

- anticipating yield curve changes,
- anticipating yield level changes,
- quality swaps,
- yield pickups,
- market diversification, and
- foreign currency management.

The Fund invests in the following securities:

- fixed income securities, including money market instruments, that are issued, insured, or guaranteed by sovereign governments of benchmark member countries,
- fixed income securities that are issued, insured, or guaranteed by supranational entities including, but not limited to, the World Bank, the International Bank for Reconstruction and Development, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank or the Inter-American Development Bank.
- spot currencies and foreign exchange forward contracts for currency conversions and/or currency hedging,
- exchange-traded and cleared over-the-counter derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds.

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

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

- Debt securities held by the Fund must be rated BBB- or better by Standard & Poor's or have an equivalent rating from another credit rating agency.
- The Fund must be not less than 80% hedged to the Canadian dollar.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction so as to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

As at December 31, the Fund invested in debt instruments with the following credit ratings:

BONDS

BY CREDIT RATING
(in 000s)

	2016		2015	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 426,832	64.8 %	\$ 449,896	66.1 %
A	159,591	24.2 %	154,232	22.7 %
BBB	72,621	11.0 %	76,268	11.2 %
Total Bonds	\$ 659,044	100.0 %	\$ 680,396	100.0 %

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

DERIVATIVE LIABILITIES (in 000s)	2016			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (1,017,508)	\$ (1,017,508)	\$ (1,016,356)	\$ (1,152)
Inflows	1,014,386	1,014,386	1,013,234	1,152
	<u>\$ (3,122)</u>	<u>\$ (3,122)</u>	<u>\$ (3,122)</u>	<u>\$ -</u>

DERIVATIVE LIABILITIES (in 000s)	2015			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (1,508,927)	\$ (1,508,927)	\$ (1,082,538)	\$ (426,389)
Inflows	1,468,108	1,468,108	1,042,195	425,913
	<u>\$ (40,819)</u>	<u>\$ (40,819)</u>	<u>\$ (40,343)</u>	<u>\$ (476)</u>

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

Interest Rate Risk

As at December 31, the Fund invested in debt instruments with the following terms to maturity and average effective yield:

BONDS BY MATURITY DATE (in 000s)	2016		2015	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 11,798	(0.30)%	\$ 25,675	(0.16)%
1 to 5 years	269,604	1.00 %	252,288	0.66 %
5 to 10 years	191,267	0.66 %	218,882	1.46 %
Over 10 years	186,375	1.87 %	183,551	2.13 %
Total Bonds	<u>\$ 659,044</u>	<u>1.12 %</u>	<u>\$ 680,396</u>	<u>1.28 %</u>

The duration is to be managed within ± 20 percent of the benchmark duration, which was 7 years as at December 31, 2016. As at December 31, 2016, the Fund had a duration of 7 years (2015 - 7 years). The maximum term to maturity is 28 years (2015 - 23 years).

If prevailing interest rates increased or decreased by 1% (100 bps), with all others variables held constant, net assets would have decreased or increased, respectively, by approximately \$55,076,000 (2015 - \$50,445,000), representing 7.2% of the Fund's net assets (2015 - 6.9%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

Currency Risk

At December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 10,624	\$ (10,637)	\$ (13)	-%
British Pound Sterling	52,341	(52,502)	(161)	- %
Danish Krone	6,447	(6,486)	(39)	- %
Euro	181,255	(181,801)	(546)	(0.1)%
Japanese Yen	160,210	(160,691)	(481)	(0.1)%
Swedish Krona	3,079	(3,089)	(10)	- %
United States Dollar	285,565	(285,971)	(406)	(0.1)%
Net Foreign Exchange Exposure	\$ 699,521	\$ (701,177)	\$ (1,656)	(0.2)%

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 3,631	\$ (3,667)	\$ (36)	-%
British Pound Sterling	61,399	(61,457)	(58)	- %
Danish Krone	6,365	(6,385)	(20)	- %
Euro	202,637	(203,162)	(525)	(0.1)%
Japanese Yen	163,931	(164,211)	(280)	- %
Swedish Krona	3,294	(3,309)	(15)	- %
United States Dollar	308,457	(308,748)	(291)	- %
Net Foreign Exchange Exposure	\$ 749,714	\$ (750,939)	\$ (1,225)	(0.2)%

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

As at December 31, 2016, 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 by \$16,000 (2015 - \$12,000), representing 0.002% of the Fund's net assets (2015 - 0.002%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Management monitors the concentration of risk for debt securities based on counterparties and geographic location. The Fund's debt investments are all issued or guaranteed by sovereign governments or supranational entities.

Bonds by Geographic Region

The Fund's debt securities are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Australia	\$ 23,339	3.5 %	\$ 3,563	0.5 %
Belgium	13,593	2.1 %	11,261	1.7 %
Denmark	7,966	1.2 %	6,168	0.9 %
France	46,082	7.0 %	50,510	7.4 %
Germany	30,270	4.6 %	37,707	5.5 %
Italy	45,943	7.0 %	50,230	7.4 %
Japan	159,591	24.2 %	154,232	22.6 %
Netherlands	15,860	2.4 %	10,849	1.6 %
Spain	26,678	4.0 %	26,037	3.8 %
Sweden	1,657	0.3 %	3,095	0.5 %
United Kingdom	49,260	7.5 %	55,517	8.2 %
United States	231,235	35.1 %	255,112	37.5 %
Supranational	7,570	1.1 %	16,115	2.4 %
Total Bonds	\$ 659,044	100.0 %	\$ 680,396	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Bonds	\$ -	\$ 659,044	\$ 659,044
Money Market Investments	-	2,992	2,992
Money Market Funds	87,152	-	87,152
Total Investments	\$ 87,152	\$ 662,036	\$ 749,188
Futures Contracts, Net	130	-	130
Foreign Currency Contracts, Net	-	5,349	5,349
Total	\$ 87,282	\$ 667,385	\$ 754,667

(in 000s)	December 31, 2015		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Bonds	\$ -	\$ 680,396	\$ 680,396
Money Market Investments	-	2,998	2,998
Money Market Funds	24,882	-	24,882
Total Investments	\$ 24,882	\$ 683,394	\$ 708,276
Futures Contracts, Net	51	-	51
Foreign Currency Contracts, Net	-	(39,066)	(39,066)
Total	\$ 24,933	\$ 644,328	\$ 669,261

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

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.

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 785,644	\$ 87,152

Entity	December 31, 2015		
	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	\$ 2,883,745	\$ 24,882

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

FIXED TERM MORTGAGE FUND

Statement of Financial Position

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

	Note	December 31, 2016	December 31, 2015
Assets			
Investments		<u>\$ 1,630,682</u>	<u>\$ 1,690,074</u>
		<u>1,630,682</u>	<u>1,690,074</u>
Liabilities			
Payable for redemption of units		16,000	43,000
bclMC funds management fees payable	4	327	209
Other accounts payable		-	11
		<u>16,327</u>	<u>43,220</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,614,355</u></u>	<u><u>\$ 1,646,854</u></u>
<i>Number of redeemable units outstanding</i>	5	393.507	411.475
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 4,102</u></u>	<u><u>\$ 4,002</u></u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 68,101	\$ 85,119
Change in fair value of investments:	7		
Net realized gain		18	13
Net change in unrealized depreciation		(25,598)	(24,845)
Total Revenue		<u>42,521</u>	<u>60,287</u>
Expenses:			
bclMC funds management fees	4	2,994	3,436
Administrative fees		26	42
Total operating expenses		<u>3,020</u>	<u>3,478</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>39,501</u>	<u>56,809</u>
Distributions to holders of redeemable units:			
From net investment income		(65,491)	(81,642)
		<u>(65,491)</u>	<u>(81,642)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (25,990)</u></u>	<u><u>\$ (24,833)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

FIXED TERM MORTGAGE FUND

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 1,646,854	\$ 1,788,645
Decrease in net assets attributable to holders of redeemable units	(25,990)	(24,833)
Redeemable unit transactions:		
Proceeds from units issued	301,000	65,500
Reinvestment of distributions	65,491	81,642
Amounts paid for units redeemed	(373,000)	(264,100)
Net decrease from redeemable unit transactions	(6,509)	(116,958)
Balance, end of year	\$ 1,614,355	\$ 1,646,854

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (25,990)	\$ (24,833)
Adjustments for:		
Interest income	(68,101)	(85,119)
Net realized gain from investments	(18)	(13)
Net change in unrealized depreciation from investments	25,598	24,845
Non cash distributions	65,491	81,642
Proceeds from sale of investments	710,012	548,000
Amounts paid for purchase of investments	(676,200)	(399,042)
Payable for redemption of units	(27,000)	(32,000)
bclMC funds management fees payable	118	-
Other accounts payable	(11)	1
Interest received	68,101	85,119
	<u>72,000</u>	<u>198,600</u>
Financing activities:		
Proceeds from issue of redeemable units	301,000	65,500
Payments on redemption of redeemable units	(373,000)	(264,100)
	<u>(72,000)</u>	<u>(198,600)</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

FIXED TERM MORTGAGE FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Mortgage Investments ¹	\$ 1,613,657	\$ 1,569,116	\$ 1,646,186	\$ 1,576,049
Money Market Investments:				
Units in bclMC Pooled				
Investment Portfolio				
Fund ST1	17,025	17,025	43,888	43,886
Total Investments	\$ 1,630,682	\$ 1,586,141	\$ 1,690,074	\$ 1,619,935

¹ The mortgage investments are held through a limited partnership.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

FIXED TERM MORTGAGE FUND

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

The investment objective of the Fixed Term Mortgage Fund (the Fund) is to increase returns relative to the Fund's benchmark, the FTSE TMX Canada Short Term Overall Bond Index plus 100 basis points (to compensate for illiquidity and credit risk relative to the bond index).

The Fund is actively managed. 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, debt servicing ability, and borrower's experience. This information is used to determine the risk premium for each mortgage investment. The Fund maintains a prudent level of diversification by property type, geographic location, investment size, and risk.

The Fund invests in the following securities:

- Canadian fixed term first, second, and third mortgages, on income-producing commercial properties and income-producing land.
- Canadian first mortgage bonds
- A/B Notes, providing noteholders with *pro rata* interest in first mortgage loan or loans, with security in favour of holders of B Notes subordinated to the security in favour of corresponding A Notes.
- Government debt securities with a maximum term to maturity of 5 years, and
- Units of bclMC's Pooled Investment Portfolios ST1 and ST2
- Units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Mortgages must be eligible investments under the Pensions Benefits Standards Act.
- Mortgages are not eligible to be lent under bclMC's security lending program
- No mortgages will be made without a site inspection, current market appraisal and a current environmental audit.
- No mortgages will be made on raw land.
- The Fund may not invest in derivatives with the exception of securities noted above.
- The maximum duration of the Fund is 5 years.
- In the event of a default, the Pool may hold assets that otherwise would not be permitted provided the holdings are approved by the CIO and accepting the assets are deemed to be in the best interest of pool participants.

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

The Fund holds most of its investments through a limited partnership. The limited partnership holds the following investments and other net receivables:

(in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Fixed-Rate Mortgages	\$ 1,537,043	95.3 %	\$ 1,414,349	85.9 %
Floating-Rate Mortgage	65,011	4.0 %	64,881	4.0 %
Money Market Funds	6,246	0.4 %	161,506	9.8 %
Other Net Receivables	5,357	0.3 %	5,450	0.3 %
Total Net Assets of Limited Partnership	<u>\$ 1,613,657</u>	<u>100.0 %</u>	<u>\$ 1,646,186</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 investments held by the limited partnership have been considered.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The majority of the Fund's holdings are in uninsured first mortgages where the possibility of a borrower defaulting on payment obligations exists. To reduce default risk, the Fund invests in uninsured mortgages with conservative loan to value ratios. No uninsured mortgages will be entered into, and no mortgage bonds or A/B Notes will be purchased, if they exceed a 75% loan-to-value ratio at inception and no insured mortgages will be entered into if they exceed a 95% loan-to-value ratio at inception. Also, all mortgages will include additional collateral and guarantees from borrowers. The fair value of the Fund's mortgage and money market investments represents the Fund's maximum exposure to credit risk.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

FIXED TERM MORTGAGE FUND

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

Credit Risk (continued)

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)

	2016		2015	
	Total	% of Total	Total	% of Total
Retail	\$ 464,698	29.0 %	\$ 489,299	33.1 %
Office	677,456	42.3 %	492,045	33.3 %
Industrial	243,975	15.2 %	265,997	18.0 %
Residential	201,543	12.6 %	183,711	12.4 %
Other	14,382	0.9 %	48,178	3.3 %
Total Mortgages	<u>\$ 1,602,054</u>	<u>100.0 %</u>	<u>\$ 1,479,230</u>	<u>100.0 %</u>

INDUSTRY SECTOR
(Number of Mortgages)

	2016		2015	
	Total	% of Total	Total	% of Total
Retail	\$ 13	22.4 %	\$ 19	26.8 %
Office	25	43.1 %	26	36.6 %
Industrial	8	13.8 %	11	15.5 %
Residential	11	19.0 %	12	16.9 %
Other	1	1.7 %	3	4.2 %
Total Mortgages	<u>\$ 58</u>	<u>100.0 %</u>	<u>\$ 71</u>	<u>100.0 %</u>

Liquidity Risk

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

The Fund invests in fixed term mortgages with maturities typically ranging from 1 to 5 years. The duration of the Fund is 2.5 years. Lending rates for mortgages are determined based on the current yield of Government of Canada debt securities with a similar term to maturity plus a risk and liquidity premium.

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

MORTGAGES

BY MATURITY DATE
(in 000s)

	2016		2015	
	Total	Avg Effective Yield %	Total	Avg Effective Yield %
Floating-Rate Mortgages				
Within 1 year	\$ 65,011	n/a	\$ -	n/a
1 to 5 years	-	n/a	64,881	n/a
Fixed-Rate Mortgages				
Within 1 year	365,434	2.57 %	421,192	2.48 %
1 to 5 years	860,862	2.85 %	802,081	2.38 %
5 to 10 years	310,747	3.17 %	191,076	3.17 %
Total Mortgages	<u>\$ 1,602,054</u>	<u>2.85 %</u>	<u>\$ 1,479,230</u>	<u>2.41 %</u>

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$38,806,925 and \$38,806,925 (2015 - \$29,784,000 and \$29,784,000), representing 2.4% and 2.4% of the Fund's net assets (2015 - 1.8% and 1.8%).

Currency Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

FIXED TERM MORTGAGE FUND

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

Other Price Risk

Management monitors the concentration of risk for mortgage securities based on counterparties and industries and geographic location. The Fund's industry sector exposure is presented in the Credit Risk section.

The Fund is not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

Investments by Geographic Region

All of the Fund's mortgage investments are exposed to the Canadian market.

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Mortgage Investments	\$ -	\$ 1,613,657	\$ 1,613,657
Money Market Funds	17,025	-	17,025
Total Investments	<u>\$ 17,025</u>	<u>\$ 1,613,657</u>	<u>\$ 1,630,682</u>

	December 31, 2015		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Mortgage Investments	\$ -	\$ 1,646,186	\$ 1,646,186
Money Market Funds	43,888	-	43,888
Total Investments	<u>\$ 43,888</u>	<u>\$ 1,646,186</u>	<u>\$ 1,690,074</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

FIXED TERM MORTGAGE FUND

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

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

During 2016 and 2015, there were no significant transfers between Level 1 and Level 2.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 17,025

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 43,888

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CONSTRUCTION MORTGAGE FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Receivable from issue of units		-	25,000
Investments		<u>\$ 1,035,600</u>	<u>\$ 816,181</u>
		<u>1,035,600</u>	<u>841,181</u>
Liabilities			
Payable for redemption of units		63,500	-
bclMC funds management fees payable	4	227	127
Other accounts payable		-	11
		<u>63,727</u>	<u>138</u>
Net assets attributable to holders of redeemable units			
		<u><u>\$ 971,873</u></u>	<u><u>\$ 841,043</u></u>
<i>Number of redeemable units outstanding</i>	5	274.526	247.140
Net assets attributable to holders of redeemable units per unit			
		<u><u>\$ 3,540</u></u>	<u><u>\$ 3,403</u></u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 22	\$ 26
Change in fair value of investments:	7		
Net realized gain		29,734	10,150
Net change in unrealized appreciation		<u>14,073</u>	<u>22,651</u>
Total Revenue		<u>43,829</u>	<u>32,827</u>
Expenses:			
bclMC funds management fees	4	2,491	1,827
Administrative fees		8	19
Total operating expenses		<u>2,499</u>	<u>1,846</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions			
		<u>41,330</u>	<u>30,981</u>
Distributions to holders of redeemable units:			
From net investment income		(27,245)	(8,328)
From net realized gains on investments		<u>(5)</u>	<u>-</u>
		<u>(27,250)</u>	<u>(8,328)</u>
Increase in net assets attributable to holders of redeemable units			
		<u><u>\$ 14,080</u></u>	<u><u>\$ 22,653</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CONSTRUCTION MORTGAGE FUND

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 841,043	\$ 637,762
Increase in net assets attributable to holders of redeemable units	14,080	22,653
Redeemable unit transactions:		
Proceeds from units issued	304,000	235,100
Reinvestment of distributions	27,250	8,328
Amounts paid for units redeemed	(214,500)	(62,800)
Net increase from redeemable unit transactions	116,750	180,628
Balance, end of year	\$ 971,873	\$ 841,043

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 14,080	\$ 22,653
Adjustments for:		
Interest income	(22)	(26)
Net realized gain from investments	(29,734)	(10,150)
Net change in unrealized appreciation from investments	(14,073)	(22,651)
Non cash distributions	27,250	8,328
Proceeds from sale of investments	400,387	152,513
Amounts paid for purchase of investments	(575,999)	(398,024)
Receivable from issue of units	25,000	75,000
Payable for redemption of units	63,500	-
bcIMC funds management fees payable	100	30
Other accounts payable	(11)	1
Interest received	22	26
	(89,500)	(172,300)
Financing activities:		
Proceeds from issue of redeemable units	304,000	235,100
Payments on redemption of redeemable units	(214,500)	(62,800)
	89,500	172,300
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

CONSTRUCTION MORTGAGE FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Mortgage Investments ¹	\$ 970,632	\$ 835,806	\$ 815,343	\$ 694,584
Money Market Investments:				
Units in bclMC Pooled				
Investment Portfolio				
Fund ST1	64,968	64,962	838	838
Total Investments	\$ 1,035,600	\$ 900,768	\$ 816,181	\$ 695,422

¹ The mortgage investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CONSTRUCTION MORTGAGE FUND

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

The investment objective of the Construction Mortgage Fund (the Fund) is to increase returns relative to the Fund's benchmark, the FTSE TMX Canada 365-Day T-Bill Index plus 100 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, green building features, borrower and covenantor's financial strength, loan to value levels, loan to cost levels, debt servicing ability, and developer's experience. This information is used to determine the risk premium for each mortgage investment.

The risks associated with construction projects are mitigated by requiring the involvement of only experienced developers, obtaining construction engineer evaluations, requiring specified 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 construction first, second, and third mortgages,
- Canadian first, second and third mortgages on land held for development
- A/B Notes, providing noteholders with a pro rata interest in a first mortgage loan or loans, with the security in favour of holders of B Notes subordinated to the security in favour of corresponding A Notes
- units in bclMC's Pooled Investment Portfolios ST1 and ST2
- units in Floating Rate Funds.

The following restrictions apply to the Fund:

- Mortgages must be eligible investments under the Pensions Benefits Standards Act.
- The pool shall maintain a prudent level of diversification.
- Mortgages are not eligible to be lent under bclMC's security lending program.
- Publicly traded securities are eligible to be lent under bclMC's security lending program.
- The Fund may not invest in derivatives with the exception of those noted above.
- The maximum duration of the Fund is 1.5 years.
- In the event of default, the Pool may hold assets that otherwise would not be permitted providing the holdings are approved by the CIO and accepting the assets are deemed to be in the best interest of pool participants

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

The Fund holds most of its investments through a corporation. The corporation holds the following investments and other net receivables:

(in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Variable-Rate Mortgages	\$ 772,599	79.6 %	\$ 668,499	82.0 %
Fixed-Rate Mortgages	132,403	13.6 %	128,469	15.7 %
Money Market Funds	63,976	6.6 %	18,502	2.3 %
Other Net Receivables / (Payables)	1,654	0.2 %	(127)	- %
Total Net Assets of Mortgage Corporation	<u>\$ 970,632</u>	<u>100.0 %</u>	<u>\$ 815,343</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 investments held by the corporation have been considered.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The majority of the Fund's holdings are in uninsured first mortgages where the possibility of a borrower defaulting on payment obligations exists. To reduce default risk, the Fund invests in uninsured mortgages with conservative loan to value ratios. No uninsured mortgages will be entered into, and no A/B Notes will be purchased, if they exceed a 75% loan-to-value ratio at inception and no insured mortgages will be entered into if they exceed a 95% loan-to-value ratio at inception. Also, all mortgages will include additional collateral and guarantees from borrowers. The fair value of the Fund's mortgage and money market investments represents the Fund's maximum exposure to credit risk.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CONSTRUCTION MORTGAGE FUND

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

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)

	2016		2015	
	Total	% of Total	Total	% of Total
Retail	\$ -	- %	\$ 43,977	5.5 %
Office	102,044	11.3 %	100,177	12.6 %
Residential	540,304	59.7 %	481,480	60.4 %
Land lease communities	262,654	29.0 %	171,334	21.5 %
Total Mortgages	<u>\$ 905,002</u>	<u>100.0 %</u>	<u>\$ 796,968</u>	<u>100.0 %</u>

INDUSTRY SECTOR
(Number of Mortgages)

	2016		2015	
	Total	% of Total	Total	% of Total
Retail	\$ -	- %	\$ 1	6.7 %
Office	1	6.3 %	1	6.7 %
Residential	11	68.7 %	10	66.6 %
Land lease communities	4	25.0 %	3	20.0 %
Total Mortgages	<u>\$ 16</u>	<u>100.0 %</u>	<u>\$ 15</u>	<u>100.0 %</u>

Liquidity Risk

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

The Fund invests in construction mortgages with terms ranging from 1 to 5 years. The duration of the Fund is 1.1 years. As at December 31, the Fund invested in mortgages with the following terms to maturity:

MORTGAGES

BY MATURITY DATE
(in 000s)

	2016		2015	
	Total	Average Effective Yield %	Total	Average Effective Yield %
Floating Rate Mortgages				
Within 1 year	\$ 358,732	n/a	\$ 427,535	n/a
1 to 5 years	413,867	n/a	240,964	n/a
Fixed Rate Mortgages				
Within 1 year	22,601	4.5 %	\$ -	- %
1 to 5 years	109,802	3.4 %	\$ 128,469	3.6 %
Total Mortgages	<u>\$ 905,002</u>	<u>3.6 %</u>	<u>\$ 796,968</u>	<u>3.6 %</u>

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$2,316,000 and \$2,316,000 (2015 - \$2,976,000 and \$2,976,000), representing 0.2% and 0.2% of the Fund's net assets (2015 - 0.4% and 0.4%)

Construction mortgages are usually extended with floating interest rates based on bank prime lending rates plus a risk and liquidity premium. Therefore, the floating-rate construction mortgages do not have significant exposure to interest rate risk.

Currency Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CONSTRUCTION MORTGAGE FUND

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

Other Price Risk

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

Management monitors the concentration of risk for mortgage securities based on counterparties and industries and geographic location. The Fund's industry sector exposure is presented in the Credit Risk section.

Investments by Geographic Region

All of the Fund's mortgage investments are exposed to the Canadian market.

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

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 table below analyses 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 noted in the tables below are recurring.

December 31, 2016			
(in 000s)	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Mortgage Investments	\$ -	\$ 970,632	\$ 970,632
Money Market Funds	64,968	-	64,968
Total Investments	\$ 64,968	\$ 970,632	\$ 1,035,600

December 31, 2015			
(in 000s)	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Mortgage Investments	\$ -	\$ 815,343	\$ 815,343
Money Market Funds	838	-	838
Total Investments	\$ 838	\$ 815,343	\$ 816,181

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CONSTRUCTION MORTGAGE FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 64,968

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 838

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Statement of Financial Position

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

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 58,932	\$ 14,565
Receivable from sale of investments		1,252	1,810
Receivable from issue of units		-	943
Dividends receivable		8,082	6,855
Security lending revenue receivable		60	55
Receivable from reinvestment of distributions		-	6,201
Investments		3,872,413	2,909,366
		<u>3,940,739</u>	<u>2,939,795</u>
Liabilities			
Payable for purchase of investments		1,048	8,393
External management fees payable		1,496	1,026
bclMC funds management fees payable	4	475	366
Other accounts payable		8	18
Distributions payable		-	6,201
		<u>3,027</u>	<u>16,004</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 3,937,712</u></u>	<u><u>\$ 2,923,791</u></u>
<i>Number of redeemable units outstanding</i>	5	349.475	305.552
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 11,268</u></u>	<u><u>\$ 9,569</u></u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 479	\$ 590
Dividend income		91,981	70,957
Securities lending income		544	295
Foreign exchange gain		1	9
Change in fair value of investments:	7		
Net realized gain		19,961	53,117
Net change in unrealized appreciation (depreciation)		460,290	(190,140)
Total revenue		<u>573,256</u>	<u>(65,172)</u>
Expenses:			
bclMC funds management fees	4	5,161	3,844
External management fees		5,207	3,800
Administrative fees		103	69
Commissions and stock exchange fees		1,778	1,840
Total operating expenses		<u>12,249</u>	<u>9,553</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>561,007</u>	<u>(74,725)</u>
Distributions to holders of redeemable units:			
From net investment income		(81,787)	(57,283)
From net realized gains on investments		(21,322)	(57,937)
		<u>(103,109)</u>	<u>(115,220)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 457,898</u></u>	<u><u>\$ (189,945)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 2,923,791	\$ 2,281,152
Increase (decrease) in net assets attributable to holders of redeemable units	457,898	(189,945)
Redeemable unit transactions:		
Proceeds from units issued	475,316	732,364
Reinvestment of distributions	103,109	115,220
Amounts paid for units redeemed	(22,402)	(15,000)
Net increase from redeemable unit transactions	556,023	832,584
Balance, end of year	\$ 3,937,712	\$ 2,923,791

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 457,898	\$ (189,945)
Adjustments for:		
Foreign exchange gain	(1)	(9)
Interest income	(479)	(590)
Dividend income	(91,981)	(70,957)
Net realized gain from investments	(19,961)	(53,117)
Net change in unrealized (appreciation) depreciation from investments	(460,290)	190,140
Non cash distributions	103,109	115,220
Proceeds from sale of investments	1,067,458	934,648
Amounts paid for purchase of investments	(1,550,254)	(1,716,892)
Receivable from sale of investments	558	7,970
Receivable from issue of units	943	(125)
Security lending revenue receivable	(5)	(41)
Payable for purchase of investments	(7,345)	41
External management fees payable	470	179
bcIMC funds management fees payable	109	96
Other accounts payable	(10)	4
Interest received	479	590
Dividends received	90,754	67,813
	(408,548)	(714,975)
Financing activities:		
Proceeds from issue of redeemable units	475,316	732,364
Payments on redemption of redeemable units	(22,402)	(15,000)
	452,914	717,364
Net increase in cash	44,366	2,389
Effect of exchange rate changes on cash	1	9
Cash, beginning of year	14,565	12,167
Cash, end of year	\$ 58,932	\$ 14,565

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	\$ 3,825,486	\$ 3,114,272	\$ 2,877,714	\$ 2,626,789
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST1	<u>46,927</u>	<u>46,926</u>	<u>31,652</u>	<u>31,652</u>
Total Investments	<u>\$ 3,872,413</u>	<u>\$ 3,161,198</u>	<u>\$ 2,909,366</u>	<u>\$ 2,658,441</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

The Active Canadian Equity Fund (the Fund) provides clients with a diversity of active management investment styles (e.g., value, growth, and market oriented), exposure to a variety of market outlooks, and exposure to the various segments of the Canadian equity market (primarily large and mid-cap). As an actively managed portfolio, the focus is on selecting quality companies that will generate higher returns than the S&P/TSX Capped Composite Index (the Index), the Fund's benchmark. The Fund is designed to complement clients' indexed fund holdings and give them a broader exposure to the Canadian equity market.

The performance objective of the Active Canadian Equity Fund is to exceed the return of the Fund's benchmark by 150 basis points per annum, net of investment expenses, on a four year rolling average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of Canadian companies,
- publicly traded income trust units,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any

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

affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 191,150	5.0 %	\$ 147,224	5.1 %
Consumer Staple	133,989	3.5 %	155,185	5.4 %
Energy	897,145	23.5 %	561,753	19.5 %
Financial Services	1,422,521	37.1 %	1,096,550	38.2 %
Health Care	6,099	0.2 %	46,079	1.6 %
Industrial Products	197,335	5.2 %	162,145	5.6 %
Information Technology	244,123	6.4 %	204,979	7.1 %
Materials and Processing	386,790	10.1 %	282,567	9.8 %
Telecommunication Services	246,742	6.4 %	181,806	6.3 %
Utilities	99,592	2.6 %	39,426	1.4 %
Total Equities	\$ 3,825,486	100.0 %	\$ 2,877,714	100.0 %

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$357,998,000 (2015 - \$270,401,000) or 9.1% (2015 – 9.2%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

All of the Fund's equity investments are exposed to the Canadian market.

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 3,825,486	\$ -	\$ 3,825,486
Money Market Funds	46,927	-	46,927
Total Investments	\$ 3,872,413	\$ -	\$ 3,872,413

(in 000s)	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 2,877,714	\$ -	\$ 2,877,714
Money Market Funds	31,652	-	31,652
Total Investments	\$ 2,909,366	\$ -	\$ 2,909,366

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 46,927

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 31,652

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 11	\$ 5,556
Receivable from sale of investments		884	2,001
Dividends receivable		1,215	1,052
Security lending revenue receivable		9	12
Receivable from reinvestment of distributions		-	1,491
Investments		624,840	504,124
		<u>626,959</u>	<u>514,236</u>
Liabilities			
Payable for purchase of investments		66	2,108
External management fees payable		513	406
bclMC funds management fees payable	4	57	38
Other accounts payable		1	12
Distributions payable		-	1,491
		<u>637</u>	<u>4,055</u>
Net assets attributable to holders of redeemable units		<u>\$ 626,322</u>	<u>\$ 510,181</u>
<i>Number of redeemable units outstanding</i>	5	320.531	293.395
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,954</u>	<u>\$ 1,739</u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 247	\$ 158
Dividend income		9,320	11,995
Securities lending income		65	104
Change in fair value of investments:	7		
Net realized gain		20,887	19,535
Net change in unrealized appreciation (depreciation)		43,536	(6,593)
Total revenue		<u>74,055</u>	<u>25,199</u>
Expenses:			
bclMC funds management fees	4	619	480
External management fees		1,916	2,364
Administrative fees		31	37
Commissions and stock exchange fees		380	1,588
Total operating expenses		<u>2,946</u>	<u>4,469</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>71,109</u>	<u>20,730</u>
Distributions to holders of redeemable units:			
From net investment income		(6,935)	(8,324)
From net realized gains on investments		(20,170)	(18,730)
		<u>(27,105)</u>	<u>(27,054)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 44,004</u>	<u>\$ (6,324)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 510,181	\$ 655,638
Increase (decrease) in net assets attributable to holders of redeemable units	44,004	(6,324)
Redeemable unit transactions:		
Proceeds from units issued	50,949	50,313
Reinvestment of distributions	27,105	27,054
Amounts paid for units redeemed	(5,917)	(216,500)
Net increase (decrease) from redeemable unit transactions	72,137	(139,133)
Balance, end of year	\$ 626,322	\$ 510,181

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 44,004	\$ (6,324)
Adjustments for:		
Interest income	(247)	(158)
Dividend income	(9,320)	(11,995)
Net realized gain from investments	(20,887)	(19,535)
Net change in unrealized (appreciation) depreciation from investments	(43,536)	6,593
Amortization of premiums and discounts	(257)	(120)
Non cash distributions	27,105	27,054
Proceeds from sale of investments	353,916	751,646
Amounts paid for purchase of investments	(409,952)	(592,996)
Receivable from sale of investments	1,117	(690)
Security lending revenue receivable	3	(4)
Payable for purchase of investments	(2,042)	(520)
External management fees payable	107	(232)
bcIMC funds management fees payable	19	2
Other accounts payable	(11)	1
Interest received	247	158
Dividends received	9,157	12,471
	(50,577)	165,351
Financing activities:		
Proceeds from issue of redeemable units	50,949	50,313
Payments on redemption of redeemable units	(5,917)	(216,500)
	45,032	(166,187)
Net decrease in cash	(5,545)	(836)
Cash, beginning of year	5,556	6,392
Cash, end of year	\$ 11	\$ 5,556

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 605,759	\$ 396,162	\$ 485,586	\$ 319,526
Money Market Investments:				
Repurchase Agreements	18,527	18,528	18,385	18,385
Units in bclMC Pooled Investment Portfolio Fund ST1	554	554	153	153
	<u>19,081</u>	<u>19,082</u>	<u>18,538</u>	<u>18,538</u>
Total Investments	<u>\$ 624,840</u>	<u>\$ 415,244</u>	<u>\$ 504,124</u>	<u>\$ 338,064</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

The investment objective of the Active Canadian Small Cap Equity Fund (the Fund) is to exceed the return of the Fund's benchmark, the S&P/TSX Small Cap Index (the Index), by 400 basis points per annum, net of all investment expenses on a four year rolling average. The Fund provides clients with a diversity of active management investment styles (e.g., value, growth, and market oriented), exposure to a variety of market outlooks, and exposure to the various segments of Canadian small cap equity markets. The Fund differs from bclMC's other Canadian equity funds in that it primarily invests in Canadian small cap securities.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of Canadian companies with a small to mid-level range of capitalization,
- publicly traded income trust units,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in the Manager's pooled funds provided such holdings are permissible investments for the Fund,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

The Fund invests in publicly traded small cap securities which are typically less liquid than large cap securities. Cash and money market investments provide the Fund with additional liquidity.

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 45,543	7.6 %	\$ 30,890	6.5 %
Consumer Staple	26,719	4.4 %	32,942	6.8 %
Energy	143,812	23.7 %	65,617	13.5 %
Financial Services	86,490	14.3 %	66,364	13.7 %
Health Care	8,222	1.4 %	4,028	0.8 %
Industrial Products	152,702	25.1 %	122,824	25.2 %
Information Technology	45,971	7.6 %	65,142	13.4 %
Materials and Processing	96,300	15.9 %	97,779	20.1 %
Total Equities	<u>\$ 605,759</u>	<u>100.0 %</u>	<u>\$ 485,586</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$43,106,000 (2015 - \$27,812,000) or 6.9% (2015 - 5.5%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

All of the Fund's equity investments are exposed to the Canadian market.

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 605,759	\$ -	\$ 605,759
Money Market Investments	-	18,527	18,527
Money Market Funds	554	-	554
Total Investments	<u>\$ 606,313</u>	<u>\$ 18,527</u>	<u>\$ 624,840</u>

(in 000s)	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 485,586	\$ -	\$ 485,586
Money Market Investments	-	18,385	18,385
Money Market Funds	153	-	153
Total Investments	<u>\$ 485,739</u>	<u>\$ 18,385</u>	<u>\$ 504,124</u>

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 554

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 153

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ENHANCED INDEXED CANADIAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 575	\$ 8,602
Receivable from sale of investments		9,460	6,746
Receivable from issue of units		416	-
Dividends receivable		7,451	7,481
Security lending revenue receivable		74	68
Receivable from reinvestment of distributions		-	85,118
Investments		2,916,353	3,380,982
		<u>2,934,329</u>	<u>3,488,997</u>
Liabilities			
Payable for purchase of investments		12,335	10,134
External management fees payable		1,255	1,644
bclMC funds management fees payable	4	315	304
Other accounts payable		6	63
Distributions payable		-	85,118
Derivative liabilities:			
Futures		27	61
		<u>13,938</u>	<u>97,324</u>
Net assets attributable to holders of redeemable units		<u>\$ 2,920,391</u>	<u>\$ 3,391,673</u>
<i>Number of redeemable units outstanding</i>	5	814,386	1,123,225
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,586</u>	<u>\$ 3,020</u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 488	\$ 647
Dividend income		83,092	125,060
Securities lending income		667	572
Futures income (loss)		684	(1,875)
Foreign exchange loss		-	(71)
Change in fair value of investments and derivatives:	7		
Net realized gain		135,285	356,944
Net change in unrealized appreciation (depreciation)		300,855	(725,204)
Total revenue (loss)		<u>521,071</u>	<u>(243,927)</u>
Expenses:			
bclMC funds management fees	4	3,434	3,801
External management fees		5,429	5,873
Administrative fees		195	288
Commissions and stock exchange fees		2,317	4,334
Total operating expenses		<u>11,375</u>	<u>14,296</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>509,696</u>	<u>(258,223)</u>
Distributions to holders of redeemable units:			
From net investment income		(75,914)	(106,861)
From net realized gains on investments and derivatives		(103,989)	(436,895)
		<u>(179,903)</u>	<u>(543,756)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 329,793</u>	<u>\$ (801,979)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ENHANCED INDEXED CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 3,391,673	\$ 5,253,445
Increase (decrease) in net assets attributable to holders of redeemable units	329,793	(801,979)
Redeemable unit transactions:		
Proceeds from units issued	6,849	2,682
Reinvestment of distributions	179,903	543,756
Amounts paid for units redeemed	<u>(987,827)</u>	<u>(1,606,231)</u>
Net decrease from redeemable unit transactions	<u>(801,075)</u>	<u>(1,059,793)</u>
Balance, end of year	<u>\$ 2,920,391</u>	<u>\$ 3,391,673</u>

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 329,793	\$ (801,979)
Adjustments for:		
Foreign exchange loss	-	71
Interest income	(488)	(647)
Dividend income	(83,092)	(125,060)
Net realized gain from investments and derivatives	(135,285)	(356,944)
Net change in unrealized (appreciation) depreciation from investments and derivatives	(300,855)	725,204
Amortization of premiums and discounts	(299)	(46)
Non cash distributions	179,903	543,756
Proceeds from sale of investments	2,985,198	5,156,840
Amounts paid for purchase of investments	(2,084,130)	(3,662,035)
Receivable from sale of investments	(2,714)	4,080
Receivable from issue of units	(416)	-
Net payable for variation on futures	(34)	(21)
Security lending revenue receivable	(6)	(10)
Payable for purchase of investments	2,201	(7,812)
External management fees payable	(389)	288
bclMC funds management fees payable	11	54
Other accounts payable	(57)	9
Interest received	488	647
Dividends received	<u>83,122</u>	<u>128,812</u>
	<u>972,951</u>	<u>1,605,207</u>
Financing activities:		
Proceeds from issue of redeemable units	6,849	2,682
Payments on redemption of redeemable units	<u>(987,827)</u>	<u>(1,606,231)</u>
	<u>(980,978)</u>	<u>(1,603,549)</u>
Net increase (decrease) in cash	(8,027)	1,658
Effect of exchange rate changes on cash	-	(71)
Cash, beginning of year	<u>8,602</u>	<u>7,015</u>
Cash, end of year	<u>\$ 575</u>	<u>\$ 8,602</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ENHANCED INDEXED CANADIAN EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,901,983	\$ 2,342,254	\$ 3,368,771	\$3,109,896
Money Market Investments:				
Federal Government	7,493	7,493	8,141	8,142
Units in bcIMC Pooled				
Investment Portfolio				
Fund ST1	<u>6,877</u>	<u>6,878</u>	<u>4,070</u>	<u>4,071</u>
	<u>14,370</u>	<u>14,371</u>	<u>12,211</u>	<u>12,213</u>
Total Investments	<u>\$ 2,916,353</u>	<u>\$ 2,356,625</u>	<u>\$ 3,380,982</u>	<u>\$ 3,122,109</u>

Schedule of Futures Contracts

as at December 31
(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Notional Value	Net Receivable (Payable)
2016	15	March 2017	<u>\$ 2,691</u>	<u>\$ (27)</u>
2015	40	March 2016	<u>\$ 6,148</u>	<u>\$ (61)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ENHANCED INDEXED CANADIAN EQUITY FUND

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

The Enhanced Indexed Canadian Equity Fund (the Fund) invests in a portfolio of actively managed Canadian securities. The Fund differs from the Active Canadian Equity Fund in that it takes a lower level of active management risk and will more closely reflect the sector and financial characteristics of the benchmark, the S&P/TSX Capped Composite Index (the Index). The Fund's objective is to exceed the return of the benchmark by 100 basis points per annum, net of investment expenses, on a four year moving average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of Canadian companies,
- publicly traded income trust units,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- At inception, all counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

	2016		
	Carrying amount	Gross nominal in (out) flow	1 to 3 months
DERIVATIVE LIABILITIES (in 000s)			
Outflows	\$ (27)	\$ (27)	\$ (27)
Inflows	-	-	-
	<u>\$ (27)</u>	<u>\$ (27)</u>	<u>\$ (27)</u>
	2015		
	Carrying amount	Gross nominal in (out) flow	1 to 3 months
DERIVATIVE LIABILITIES (in 000s)			
Outflows	\$ (61)	\$ (61)	\$ (61)
Inflows	-	-	-
	<u>\$ (61)</u>	<u>\$ (61)</u>	<u>\$ (61)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ENHANCED INDEXED CANADIAN EQUITY FUND

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

Interest Rate Risk

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 162,116	5.6 %	\$ 312,891	9.3 %
Consumer Staple	121,221	4.2 %	222,271	6.6 %
Energy	512,385	17.7 %	520,773	15.5 %
Financial Services	1,110,701	38.1 %	1,195,190	35.3 %
Health Care	10,168	0.4 %	121,998	3.6 %
Industrial Products	284,536	9.8 %	295,787	8.8 %
Information Technology	152,741	5.3 %	215,120	6.4 %
Materials and Processing	403,721	13.9 %	329,399	9.8 %
Telecommunication Services	75,955	2.6 %	109,740	3.3 %
Utilities	68,439	2.4 %	45,602	1.4 %
Total Equities	<u>\$ 2,901,983</u>	<u>100.0 %</u>	<u>\$ 3,368,771</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$289,725,000 (2015 - \$321,757,000) or 9.9% (2015 - 9.5%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

All of the Fund's equity investments are exposed to the Canadian market.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ENHANCED INDEXED CANADIAN EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,901,983	\$ -	\$ 2,901,983
Money Market Investments	-	7,493	7,493
Money Market Funds	6,877	-	6,877
Total Investments	\$ 2,908,860	\$ 7,493	\$ 2,916,353
Futures Contracts, Net	(27)	-	(27)
Total	\$ 2,908,833	\$ 7,493	\$ 2,916,326

	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 3,368,771	\$ -	\$ 3,368,771
Money Market Investments	-	8,141	8,141
Money Market Funds	4,070	-	4,070
Total Investments	\$ 3,372,841	\$ 8,141	\$ 3,380,982
Futures Contracts, Net	(61)	-	(61)
Total	\$ 3,372,780	\$ 8,141	\$ 3,380,921

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

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ENHANCED INDEXED CANADIAN EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 6,877

Entity	December 31, 2015		
	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	\$ 2,570,037	\$ 4,070

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Statement of Financial Position

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

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 6,984	\$ 569
Receivable from sale of investments		227	-
Dividends receivable		25,188	19,068
Interest receivable		-	37
Security lending revenue receivable		343	201
Investments		<u>9,804,167</u>	<u>6,714,664</u>
		<u>9,836,909</u>	<u>6,734,539</u>
Liabilities			
Payable for purchase of investments		7,342	7,372
bclMC funds management fees payable	4	759	467
Accounts payable		20	29
Derivative liabilities:			
Futures		<u>720</u>	<u>882</u>
		<u>8,841</u>	<u>8,750</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 9,828,068</u></u>	<u><u>\$ 6,725,789</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>1,296.645</i>	<i>1,071.829</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 7,580</u></u>	<u><u>\$ 6,275</u></u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 1,290	\$ 1,045
Dividend income		249,316	199,772
Securities lending income		2,418	1,409
Futures income (loss)		14,564	(7,606)
Foreign exchange gain		-	658
Change in fair value of investments and derivatives:	7		
Net realized gain (loss)		5,213	(22,888)
Net change in unrealized appreciation (depreciation)		<u>1,346,779</u>	<u>(778,068)</u>
Total revenue (loss)		<u>1,619,580</u>	<u>(605,678)</u>
Expenses:			
bclMC funds management fees	4	7,165	5,044
Administrative fees		122	123
Commissions and stock exchange fees		<u>1,312</u>	<u>1,919</u>
Total operating expenses		<u>8,599</u>	<u>7,086</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,610,981</u>	<u>(612,764)</u>
Distributions to holders of redeemable units:			
From net investment income		(255,168)	(171,034)
From net realized gains on investments and derivatives		<u>(12,477)</u>	<u>-</u>
		<u>(267,645)</u>	<u>(171,034)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 1,343,336</u></u>	<u><u>\$ (783,798)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 6,725,789	\$ 6,164,685
Increase (decrease) in net assets attributable to holders of redeemable units	1,343,336	(783,798)
Redeemable unit transactions:		
Proceeds from units issued	2,216,048	1,452,771
Reinvestment of distributions	267,645	171,034
Amounts paid for units redeemed	(724,750)	(278,903)
Net increase from redeemable unit transactions	1,758,943	1,344,902
Balance, end of year	\$ 9,828,068	\$ 6,725,789

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,343,336	\$ (783,798)
Adjustments for:		
Foreign exchange gain	-	(658)
Interest income	(1,290)	(1,045)
Dividend income	(249,316)	(199,772)
Net realized (gain) loss from investments and derivatives	(5,213)	22,888
Net change in unrealized (appreciation) depreciation from investments and derivatives	(1,346,779)	778,068
Amortization of premiums and discounts	(47)	(51)
Non cash distributions	267,645	171,034
Proceeds from sale of investments	1,175,661	1,135,636
Amounts paid for purchase of investments	(2,913,125)	(2,486,385)
Receivable from sale of investments	(227)	273
Net payable for variation on futures	(162)	656
Security lending revenue receivable	(142)	(94)
Payable for purchase of investments	(30)	(6,899)
bcIMC funds management fees payable	292	202
Accounts payable	(9)	4
Interest received	1,327	1,008
Dividends received	243,196	194,566
	<u>(1,484,883)</u>	<u>(1,174,367)</u>
Financing activities:		
Proceeds from issue of redeemable units	2,216,048	1,452,771
Payments on redemption of redeemable units	(724,750)	(278,903)
	<u>1,491,298</u>	<u>1,173,868</u>
Net increase (decrease) in cash	6,415	(499)
Effect of exchange rate changes on cash	-	658
Cash, beginning of year	569	410
Cash, end of year	\$ 6,984	\$ 569

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	\$ 9,732,149	\$ 7,762,829	\$ 6,621,036	\$ 5,998,558
Bonds:				
Corporate	-	-	2,522	2,457
Money Market Investments:				
Federal Government	5,991	5,991	12,089	12,091
Units in bclMC Pooled Investment Portfolio				
Fund ST1	<u>66,027</u>	<u>66,026</u>	<u>79,017</u>	<u>79,016</u>
	<u>72,018</u>	<u>72,017</u>	<u>91,106</u>	<u>91,107</u>
Total Investments	<u>\$ 9,804,167</u>	<u>\$ 7,834,846</u>	<u>\$ 6,714,664</u>	<u>\$ 6,092,122</u>

Schedule of Futures Contracts

as at December 31
(all amounts reported in thousands of Canadian dollars)

<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Date</u>	<u>Notional Value</u>	<u>Net Receivable (Payable)</u>
2016	400	March 2017	<u>\$ 71,752</u>	<u>\$ (720)</u>
<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Date</u>	<u>Notional Value</u>	<u>Net Receivable (Payable)</u>
2015	580	March 2016	<u>\$ 89,146</u>	<u>\$ (882)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

The Indexed Canadian Equity Fund (the Fund) has broad exposure to domestic stocks and provides participating clients with similar risk and return characteristics as the S&P/TSX Composite Index (the Index), the Fund's benchmark. The Fund holds companies and sectors roughly in proportion to their weighting in the Index. The objective of the Fund is to exceed the return of the benchmark by 30 basis points per annum, net of all investment expenses.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of benchmark member companies,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- money market securities rated A-1 (low) or better, and
- units of Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

	2016			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
DERIVATIVE LIABILITIES (in 000s)				
Outflows	\$ (720)	\$ (720)	\$ -	\$ (720)
Inflows	-	-	-	-
	<u>\$ (720)</u>	<u>\$ (720)</u>	<u>\$ -</u>	<u>\$ (720)</u>
	2015			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
DERIVATIVE LIABILITIES (in 000s)				
Outflows	\$ (882)	\$ (882)	\$ -	\$ (882)
Inflows	-	-	-	-
	<u>\$ (882)</u>	<u>\$ (882)</u>	<u>\$ -</u>	<u>\$ (882)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 491,534	5.0 %	\$ 460,825	7.0 %
Consumer Staple	371,694	3.8 %	299,045	4.5 %
Energy	2,087,881	21.5 %	1,222,456	18.5 %
Financial Services	3,694,680	38.0 %	2,522,896	38.1 %
Health Care	56,679	0.6 %	211,781	3.2 %
Industrial Products	861,345	8.9 %	553,063	8.3 %
Information Technology	274,496	2.8 %	217,011	3.3 %
Materials and Processing	1,152,739	11.8 %	625,671	9.4 %
Telecommunication Services	466,245	4.8 %	358,885	5.4 %
Utilities	274,856	2.8 %	149,403	2.3 %
Total Equities	<u>\$ 9,732,149</u>	<u>100.0 %</u>	<u>\$ 6,621,036</u>	<u>100.0 %</u>

Financial Risk Management Discussion (continued)
as at December 31

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$774,528,000 (2015 - \$659,721,000) or 7.9% (2015 - 9.8%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

All of the Fund's equity investments are exposed to the Canadian market.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

December 31, 2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 9,732,149	\$ -	\$ 9,732,149
Money Market Investments	-	5,991	5,991
Money Market Funds	66,027	-	66,027
Total Investments	\$ 9,798,176	\$ 5,991	\$ 9,804,167
Futures Contracts, Net	(720)	-	(720)
Total	\$ 9,797,456	\$ 5,991	\$ 9,803,447

December 31, 2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 6,621,036	\$ -	\$ 6,621,036
Bonds	-	2,522	2,522
Money Market Investments	-	12,089	12,089
Money Market Funds	79,017	-	79,017
Total Investments	\$ 6,700,053	\$ 14,611	\$ 6,714,664
Futures Contracts, Net	(882)	-	(882)
Total	\$ 6,699,171	\$ 14,611	\$ 6,713,782

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

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 66,027

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 79,017

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. EQUITY FUND

Statement of Financial Position (all amounts in thousands except number of units)			Statement of Comprehensive Income/(Loss) (all amounts in thousands)		
	Note	December 31, 2016	December 31, 2015		
Assets					
Cash		\$ 8,535	\$ 37,241		
Receivable from sale of investments		112	960		
Dividends receivable		2	3,626		
Security lending revenue receivable		-	219		
Withholding taxes receivable		-	169		
Receivable from reinvestment of distributions		-	3,408		
Investments		3,057	2,074,996		
		<u>11,706</u>	<u>2,120,619</u>		
Liabilities					
Payable for purchase of investments		-	2,990		
External management fees payable	4	2,500	2,249		
bclMC funds management fees payable		-	95		
Other accounts payable		-	18		
Distributions payable		-	3,408		
		<u>2,500</u>	<u>8,760</u>		
Net assets attributable to holders of redeemable units		<u>\$ 9,206</u>	<u>\$ 2,111,859</u>		
<i>Number of redeemable units outstanding</i>	5	1.079	224.762		
Net assets attributable to holders of redeemable units per unit		<u>\$ 8,532</u>	<u>\$ 9,396</u>		
<i>Contingent liability</i>	6				
<i>Subsequent event</i>	13				
				Revenue:	
				Interest income	\$ 30
				Dividend income	18,820
				Securities lending income	1,118
				Foreign exchange gain (loss)	(5,494)
				Change in fair value of investments:	7
				Net realized gain	484,560
				Net change in unrealized appreciation (depreciation)	(570,607)
				Total revenue (loss)	<u>(71,573)</u>
				Expenses:	
				bclMC funds management fees	4 1,244
				External management fees	6,632
				Administrative fees	59
				Commissions and stock exchange fees	1,772
				Withholding taxes	8 163
				Total operating expenses	<u>9,870</u>
				Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions	<u>(81,443)</u>
				Distributions to holders of redeemable units:	
				From net investment income	(10,490)
				From net realized gains on investments	(478,058)
					<u>(488,548)</u>
				Increase (decrease) in net assets attributable to holders of redeemable units	<u>\$ (569,991)</u>
					<u>\$ 86,711</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 2,111,859	\$ 1,908,909
Increase (decrease) in net assets attributable to holders of redeemable units	(569,991)	86,711
Redeemable unit transactions:		
Proceeds from units issued	-	57,493
Reinvestment of distributions	488,548	330,643
Amounts paid for units redeemed	(2,021,210)	(271,897)
Net increase (decrease) from redeemable unit transactions	(1,532,662)	116,239
Balance, end of year	\$ 9,206	\$ 2,111,859

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (569,991)	\$ 86,711
Adjustments for:		
Effect of exchange rate changes on cash	5,494	(6,925)
Interest income	(30)	(7)
Dividend income	(18,820)	(48,174)
Withholding taxes	163	32
Net realized gain from investments	(484,560)	(287,888)
Net change in unrealized (appreciation) depreciation from investments	570,607	(85,735)
Non cash distributions	488,548	330,643
Proceeds from sale of investments	3,305,054	1,770,937
Amounts paid for purchase of investments	(1,319,162)	(1,600,619)
Receivable from sale of investments	848	448
Security lending revenue receivable	219	(166)
Payable for purchase of investments	(2,990)	(9,625)
External management fees payable	251	143
bcIMC funds management fees payable	(95)	17
Other accounts payable	(18)	1
Interest received	30	7
Dividends received	22,444	47,184
Withholding taxes paid	6	(60)
	<u>1,997,998</u>	<u>196,924</u>
Financing activities:		
Proceeds from issue of redeemable units	-	57,493
Payments on redemption of redeemable units	(2,021,210)	(271,897)
	<u>(2,021,210)</u>	<u>(214,404)</u>
Net decrease in cash	(23,212)	(17,480)
Effect of exchange rate changes on cash	(5,494)	6,925
Cash, beginning of year	<u>37,241</u>	<u>47,796</u>
Cash, end of year	\$ 8,535	\$ 37,241

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	\$ 1,082	\$ 4,072	\$ 2,071,998	\$ 1,504,377
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST1	<u>1,975</u>	<u>1,975</u>	<u>2,998</u>	<u>3,002</u>
Total Investments	<u><u>\$ 3,057</u></u>	<u><u>\$ 6,047</u></u>	<u><u>\$ 2,074,996</u></u>	<u><u>\$ 1,507,379</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. EQUITY FUND

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

The Active U.S. Equity Fund (the Fund) provides participating clients with a diversity of active management investment styles, exposure to a variety of market outlooks, and exposure to the various segments of the U.S. equity market. As an actively managed portfolio, the focus is on selecting quality companies that will generate higher returns than the index. The Fund is designed to complement clients' indexed fund holdings and give them a broader exposure to the U.S. equity market.

The investment objective of the Fund is to exceed the return of the Fund's benchmark, the Russell 1000 Total Return Index (the Index), by 100 basis points per annum, net of investment expenses, on a four year moving average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of U.S. companies listed on a major U.S. exchange,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in the Managers' pooled funds provided such holdings are permissible investments for the Fund,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

The majority 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 assets denominated in U.S. currency totalling \$9,731,000 CAD which represents 105.7% of the net asset value of the Fund (2015 -\$2,111,223,000 which represented 100.0% of the net asset value of the Fund). As at December 31, 2016, if the Canadian dollar had strengthened/ weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$97,000 CAD (2015 - \$21,112,000 CAD). In practice, the 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

ACTIVE U.S. EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ -	- %	\$ 354,405	17.1 %
Consumer Staple	-	- %	93,453	4.5 %
Energy	-	- %	90,596	4.4 %
Financial Services	-	- %	343,432	16.6 %
Health Care	1,082	100.0 %	480,419	23.1 %
Industrial Products	-	- %	217,280	10.5 %
Information Technology	-	- %	435,116	21.0 %
Materials and Processing	-	- %	57,297	2.8 %
Total Equities	\$ 1,082	100.0 %	\$ 2,071,998	100.0 %

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$108,000 (2015 - \$217,637,000) or 1.2% (2015 – 10.3%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

All of the Fund's equity investments are exposed to the U.S. market.

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 1,082	\$ -	\$ 1,082
Money Market Funds	1,975	-	1,975
Total Investments	\$ 3,057	\$ -	\$ 3,057

(in 000s)	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 2,071,998	\$ -	\$ 2,071,998
Money Market Funds	2,998	-	2,998
Total Investments	\$ 2,074,996	\$ -	\$ 2,074,996

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 1,975

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 2,998

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 21,818	\$ 17,747
Receivable from sale of investments		1,943	976
Dividends receivable		1,001	968
Security lending revenue receivable		49	109
Receivable from reinvestment of distributions		-	876
Investments		<u>1,551,794</u>	<u>1,164,492</u>
		<u>1,576,605</u>	<u>1,185,168</u>
Liabilities			
Payable for purchase of investments		2,097	989
External management fees payable		2,858	2,148
bclMC funds management fees payable	4	113	63
Other accounts payable		3	26
Distributions payable		-	876
		<u>5,071</u>	<u>4,102</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,571,534</u></u>	<u><u>\$ 1,181,066</u></u>
<i>Number of redeemable units outstanding</i>	5	495.937	445.925
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,169</u></u>	<u><u>\$ 2,649</u></u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 82	\$ 14
Dividend income		11,962	11,907
Securities lending income		862	1,429
Foreign exchange gain (loss)		(694)	3,961
Change in fair value of investments:	7		
Net realized gain		90,136	192,354
Net change in unrealized appreciation (depreciation)		<u>139,845</u>	<u>(40,023)</u>
Total revenue		<u>242,193</u>	<u>169,642</u>
Expenses:			
bclMC funds management fees	4	1,111	767
External management fees		9,181	8,383
Administrative fees		52	85
Commissions and stock exchange fees		1,068	1,434
Withholding taxes	8	9	-
Total operating expenses		<u>11,421</u>	<u>10,669</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>230,772</u>	<u>158,973</u>
Distributions to holders of redeemable units:			
From net investment income		(1,832)	(7,095)
From net realized gains on investments		<u>(88,996)</u>	<u>(191,826)</u>
		<u>(90,828)</u>	<u>(198,921)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 139,944</u></u>	<u><u>\$ (39,948)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 1,181,066	\$ 1,046,274
Increase (decrease) in net assets attributable to holders of redeemable units	139,944	(39,948)
Redeemable unit transactions:		
Proceeds from units issued	159,696	19,745
Reinvestment of distributions	90,828	198,921
Amounts paid for units redeemed	-	(43,926)
Net increase from redeemable unit transactions	250,524	174,740
Balance, end of year	\$ 1,571,534	\$ 1,181,066

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 139,944	\$ (39,948)
Adjustments for:		
Foreign exchange loss (gain)	694	(3,961)
Interest income	(82)	(14)
Dividend income	(11,962)	(11,907)
Withholding taxes	9	-
Net realized gain from investments	(90,136)	(192,354)
Net change in unrealized (appreciation) depreciation from investments	(139,845)	40,023
Amortization of premiums and discounts	(68)	(11)
Non cash distributions	90,828	198,921
Proceeds from sale of investments	623,026	1,023,584
Amounts paid for purchase of investments	(780,279)	(1,002,767)
Receivable from sale of investments	(967)	1,912
Security lending revenue receivable	60	(62)
Payable for purchase of investments	1,108	(6,593)
External management fees payable	710	488
bcIMC funds management fees payable	50	13
Other accounts payable	(23)	3
Interest received	82	14
Dividends received	11,929	11,552
Withholding taxes paid	(9)	-
	(154,931)	18,893
Financing activities:		
Proceeds from issue of redeemable units	159,696	19,745
Payments on redemption of redeemable units	-	(43,926)
	159,696	(24,181)
Net increase (decrease) in cash	4,765	(5,288)
Effect of exchange rate changes on cash	(694)	3,961
Cash, beginning of year	17,747	19,074
Cash, end of year	\$ 21,818	\$ 17,747

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,524,538	\$ 1,166,289	\$ 1,147,225	\$ 928,842
Money Market Investments:				
Repurchase Agreements	26,565	26,268	17,140	16,822
Units in bclMC Pooled Investment Portfolio Fund ST1	691	691	127	127
	<u>27,256</u>	<u>26,959</u>	<u>17,267</u>	<u>16,949</u>
Total Investments	<u>\$ 1,551,794</u>	<u>\$ 1,193,248</u>	<u>\$ 1,164,492</u>	<u>\$ 945,791</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

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

The investment objective of the Active U.S. Small Cap Equity Fund (the Fund) is to exceed the return of the benchmark, the Russell 2000 Total Return Index (the Index), by 200 basis points per annum, net of all investment expenses, on a four year moving average. The Fund provides clients with a diversity of active management investment styles, exposure to a variety of market outlooks, and exposure to the various segments of U.S. small cap equity markets. The Fund differs from bclMC's other U.S. equity funds in that it primarily invests in U.S. small cap securities.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of U.S. equities with a small to mid-level range of capitalization,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in Manager's pooled funds provided such holdings are permissible investments for the Fund,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

The majority 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 assets denominated in U.S. currency totalling \$1,573,817,000 CAD which represents 100.1% of the net asset value of the Fund (2015 - \$1,183,176,000 CAD which represented 100.2% of the net asset value of the Fund). As at December 31, 2016, if the Canadian dollar had strengthened/ weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$15,738,000 CAD (2015 - \$11,832,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 269,980	17.7 %	\$ 203,200	17.7 %
Consumer Staple	13,954	0.9 %	10,123	0.9 %
Energy	42,326	2.8 %	16,441	1.4 %
Financial Services	364,533	23.8 %	255,585	22.3 %
Health Care	188,919	12.4 %	167,915	14.6 %
Industrial Products	252,476	16.6 %	185,787	16.2 %
Information Technology	297,221	19.5 %	231,022	20.1 %
Materials and Processing	52,057	3.4 %	29,353	2.6 %
Telecommunication Services	11,580	0.8 %	11,216	1.0 %
Utilities	31,492	2.1 %	36,583	3.2 %
Total Equities	<u>\$ 1,524,538</u>	<u>100.0 %</u>	<u>\$ 1,147,225</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$149,559,000 (2015 - \$111,538,000) or 9.5% (2015 - 9.4%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

The Fund's equity investments are exposed to the U.S. market.

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,524,538	\$ -	\$ 1,524,538
Money Market Investments	-	26,565	26,565
Money Market Funds	691	-	691
Total Investments	<u>\$ 1,525,229</u>	<u>\$ 26,565</u>	<u>\$ 1,551,794</u>

	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,147,225	\$ -	\$ 1,147,225
Money Market Investments	-	17,140	17,140
Money Market Funds	127	-	127
Total Investments	<u>\$ 1,147,352</u>	<u>\$ 17,140</u>	<u>\$ 1,164,492</u>

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 691

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 127

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 6,754	\$ 10,959
Receivable from sale of investments		-	40,869
Receivable from issue of units		-	3,578,133
Dividends receivable		11,415	6,954
Security lending revenue receivable		82	43
Withholding taxes receivable		-	150
Receivable from reinvestment of distributions		-	509
Investments		<u>9,138,599</u>	<u>8,804,506</u>
		<u>9,156,850</u>	<u>12,442,123</u>
Liabilities			
Payable for purchase of investments		-	3,623,091
bclMC funds management fees payable	4	638	250
Other accounts payable		4,483	21
Distributions payable		-	509
Derivative liabilities:			
Futures		42	120
Foreign currency contracts		-	10
		<u>5,163</u>	<u>3,624,001</u>
Net assets attributable to holders of redeemable units		<u>\$ 9,151,687</u>	<u>\$ 8,818,122</u>
<i>Number of redeemable units outstanding</i>	5	<i>963.436</i>	<i>997.539</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 9,499</u>	<u>\$ 8,840</u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income (loss)		\$ (324)	\$ 6
Dividend income		188,528	140,288
Securities lending income		996	334
Futures income (loss)		1,193	(401)
Foreign exchange gain (loss)		(38,788)	2,545
Change in fair value of investments and derivatives:	7		
Net realized gain		673,215	568,728
Net change in unrealized appreciation (depreciation)		<u>(238,024)</u>	<u>319,748</u>
Total revenue		<u>586,796</u>	<u>1,031,248</u>
Expenses:			
bclMC funds management fees	4	5,981	3,041
Administrative fees		146	76
Commissions and stock exchange fees		1,152	276
Withholding taxes	8	(122)	-
Total operating expenses		<u>7,157</u>	<u>3,393</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>579,639</u>	<u>1,027,855</u>
Distributions to holders of redeemable units:			
From net investment income		(141,160)	(132,720)
From net realized gains on investments and derivatives		<u>(689,500)</u>	<u>(561,014)</u>
		<u>(830,660)</u>	<u>(693,734)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (251,021)</u>	<u>\$ 334,121</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 8,818,122	\$ 5,227,297
Increase (decrease) in net assets attributable to holders of redeemable units	(251,021)	334,121
Redeemable unit transactions:		
Proceeds from units issued	1,911,117	3,622,344
Reinvestment of distributions	830,660	693,734
Amounts paid for units redeemed	(2,157,191)	(1,059,374)
Net increase from redeemable unit transactions	584,586	3,256,704
Balance, end of year	\$ 9,151,687	\$ 8,818,122

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (251,021)	\$ 334,121
Adjustments for:		
Foreign exchange loss (gain)	38,788	(2,545)
Interest income	324	(6)
Dividend income	(188,528)	(140,288)
Withholding taxes	(122)	-
Net realized gain from investments and derivatives	(673,215)	(568,728)
Net change in unrealized (appreciation) depreciation from investments and derivatives	238,024	(319,748)
Amortization of premiums and discounts	(3)	(1)
Non cash distributions	830,660	693,734
Proceeds from sale of investments	3,239,325	1,391,295
Amounts paid for purchase of investments	(3,138,234)	(4,086,881)
Receivable from sale of investments	40,869	(40,807)
Receivable from issue of units	3,578,133	(3,578,133)
Net payable for variation on futures	(78)	(49)
Security lending revenue receivable	(39)	(22)
Payable for purchase of investments	(3,623,091)	3,623,091
bcIMC funds management fees payable	388	36
Other accounts payable	4,462	(12)
Interest received	(324)	6
Dividends received	184,067	140,329
Withholding taxes paid	272	(25)
	<u>280,657</u>	<u>(2,554,633)</u>
Financing activities:		
Proceeds from issue of redeemable units	1,911,117	3,622,344
Payments on redemption of redeemable units	(2,157,191)	(1,059,374)
	<u>(246,074)</u>	<u>2,562,970</u>
Net increase in cash	34,583	8,337
Effect of exchange rate changes on cash	(38,788)	2,545
Cash, beginning of year	10,959	77
Cash, end of year	\$ 6,754	\$ 10,959

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 9,137,168	\$ 6,862,932	\$ 8,802,084	\$ 6,289,932
Money Market Investments:				
U.S.T-Bills	670	668	2,083	1,963
Units in bclMC Pooled Investment Portfolio Fund ST1	761 1,431	761 1,429	339 2,422	339 2,302
Total Investments	\$ 9,138,599	\$ 6,864,361	\$ 8,804,506	\$ 6,292,234

Schedule of Foreign Currency Contracts

as at December 31
(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2015	1	Jan 2016	CAD	<u>\$ (3,578,133)</u>	USD	<u>\$ 3,578,123</u>	<u>\$ (10)</u>

Schedule of Futures Contracts

as at December 31
(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Notional Value	Net Receivable (Payable)
2016	70	March 2017	<u>\$ 7,827</u>	<u>\$ (42)</u>
2015	90	March 2016	<u>\$ 9,246</u>	<u>\$ (120)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

The Indexed U.S. Equity Fund (the Fund) has broad exposure to the largest 500 companies in the United States and provides participating clients with similar risk and return characteristics as the Morgan Stanley Capital International United States of America Total Return Index (the Index), the Fund's benchmark. The Fund holds companies and sectors in proportion to their weighting in the benchmark, but bcIMC has the discretion to determine the appropriate timing of implementing Index changes. The objective of the Fund is to exceed the benchmark return by 15 basis points per annum, net of all investment expenses.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents within the Index,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, and
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3.

The following restrictions apply to the Fund:

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's, or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

DERIVATIVE LIABILITIES (in 000s)	2016			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (42)	\$ (42)	\$ -	\$ (42)
Inflows	-	-	-	-
	<u>\$ (42)</u>	<u>\$ (42)</u>	<u>\$ -</u>	<u>\$ (42)</u>

DERIVATIVE LIABILITIES (in 000s)	2015			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (3,578,243)	\$ (3,578,243)	\$ (3,578,123)	\$ (120)
Inflows	-	-	-	-
	<u>\$ (3,578,243)</u>	<u>\$ (3,578,243)</u>	<u>\$ (3,578,123)</u>	<u>\$ (120)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

Interest Rate Risk

The majority 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 assets, including foreign currency contracts, denominated in U.S. currency totalling \$9,151,547,000 CAD which represents 100.0% of the net asset value of the Fund (2015 - \$8,818,056,000 CAD which represented 100.0% of the net asset value of the Fund). As at December 31, 2016, if the Canadian dollar had strengthened/weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$91,516,000 CAD (2015 - \$88,181,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 1,153,204	12.6 %	\$ 1,204,170	13.7 %
Consumer Staple	839,240	9.2 %	857,925	9.7 %
Energy	676,047	7.4 %	562,592	6.4 %
Financial Services	1,611,762	17.7 %	1,466,848	16.7 %
Health Care	1,244,298	13.6 %	1,332,619	15.1 %
Industrial Products	889,326	9.7 %	839,406	9.5 %
Information Technology	1,916,715	21.0 %	1,818,344	20.7 %
Materials and Processing	268,710	2.9 %	251,182	2.9 %
Telecommunication Services	249,617	2.7 %	214,901	2.4 %
Utilities	288,249	3.2 %	254,097	2.9 %
Total Equities	<u>\$ 9,137,168</u>	<u>100.0 %</u>	<u>\$ 8,802,084</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$914,578,000 (2015 - \$879,280,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

December 31, 2016			
(in 000s)	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 9,137,168	\$ -	\$ 9,137,168
Money Market Investments	-	670	670
Money Market Funds	761	-	761
Total Investments	\$ 9,137,929	\$ 670	\$ 9,138,599
Futures Contracts, Net	-	(42)	(42)
Total	\$ 9,137,929	\$ 628	\$ 9,138,557

December 31, 2015			
(in 000s)	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 8,802,084	\$ -	\$ 8,802,084
Money Market Investments	-	2,083	2,083
Money Market Funds	339	-	339
Total Investments	\$ 8,802,423	\$ 2,083	\$ 8,804,506
Foreign Currency Contracts, Net	-	(10)	(10)
Futures Contracts, Net	-	(120)	(120)
Total	\$ 8,802,423	\$ 1,953	\$ 8,804,376

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

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 761

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 339

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 88,764	\$ 75,449
Receivable from sale of investments		1,174	3,000
Receivable from issue of units		-	-
Dividends receivable		8,791	6,488
Security lending revenue receivable		92	23
Withholding taxes receivable		89	368
Receivable from reinvestment of distributions		-	1,563
Derivative assets:			
Foreign currency contracts		-	1
Investments		4,300,891	4,145,641
		<u>4,399,801</u>	<u>4,232,533</u>
Liabilities			
Payable for purchase of investments		20,741	690
External management fees payable		7,162	4,942
bclMC funds management fees payable	4	314	188
Other accounts payable		110	460
Distributions payable		-	1,563
Derivative liabilities:			
Foreign currency contracts		14	-
		<u>28,341</u>	<u>7,843</u>
Net assets attributable to holders of redeemable units		<u>\$ 4,371,460</u>	<u>\$ 4,224,690</u>
<i>Number of redeemable units outstanding</i>	5	1,469.135	1,467.466
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,976</u>	<u>\$ 2,879</u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 44	\$ 233
Dividend income		107,672	142,603
Securities lending income		615	524
Foreign exchange gain (loss)		(1,953)	4,898
Change in fair value of investments and derivatives:	7		
Net realized gain		165,213	121,055
Net change in unrealized appreciation (depreciation)		(92,547)	186,883
Total revenue		<u>179,044</u>	<u>456,196</u>
Expenses:			
bclMC funds management fees	4	2,984	2,284
External management fees		20,531	19,820
Administrative fees		1,745	1,892
Commissions and stock exchange fees		4,348	4,943
Withholding taxes	8	7,485	7,394
Total operating expenses		<u>37,093</u>	<u>36,333</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>141,951</u>	<u>419,863</u>
Distributions to holders of redeemable units:			
From net investment income		(71,294)	(110,366)
From net realized gains on investments and derivatives		(162,616)	(118,478)
		<u>(233,910)</u>	<u>(228,844)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (91,959)</u>	<u>\$ 191,019</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 4,224,690	\$ 3,801,028
Increase (decrease) in net assets attributable to holders of redeemable units	(91,959)	191,019
Redeemable unit transactions:		
Proceeds from units issued	44,367	92,992
Reinvestment of distributions	233,910	228,844
Amounts paid for units redeemed	(39,548)	(89,193)
Net increase from redeemable unit transactions	238,729	232,643
Balance, end of year	\$ 4,371,460	\$ 4,224,690

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (91,959)	\$ 191,019
Adjustments for:		
Foreign exchange loss (gain)	1,953	(4,898)
Interest income	(44)	(233)
Dividend income	(107,672)	(142,603)
Withholding taxes	7,485	7,394
Net realized gain from investments and derivatives	(165,213)	(121,055)
Net change in unrealized (appreciation) depreciation from investments and derivatives	92,547	(186,883)
Non cash distributions	233,910	228,844
Proceeds from sale of investments	1,229,612	1,312,523
Amounts paid for purchase of investments	(1,312,181)	(1,387,448)
Receivable from sale of investments	1,826	7,938
Receivable from issue of units	-	1,482
Security lending revenue receivable	(69)	12
Payable for purchase of investments	20,051	(11,514)
External management fees payable	2,220	486
bcIMC funds management fees payable	126	47
Other accounts payable	(350)	25
Interest received	44	233
Dividends received	105,369	141,826
Withholding taxes paid	(7,206)	(7,510)
	10,449	29,685
Financing activities:		
Proceeds from issue of redeemable units	44,367	92,992
Payments on redemption of redeemable units	(39,548)	(89,193)
	4,819	3,799
Net increase in cash	15,268	33,484
Effect of exchange rate changes on cash	(1,953)	4,898
Cash, beginning of year	75,449	37,067
Cash, end of year	\$ 88,764	\$ 75,449

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 4,299,420	\$ 3,529,399	\$ 4,144,151	\$ 3,281,598
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST2	1,471	1,471	1,490	1,490
	<u>1,471</u>	<u>1,471</u>	<u>1,490</u>	<u>1,490</u>
Total Investments	<u>\$ 4,300,891</u>	<u>\$ 3,530,870</u>	<u>\$ 4,145,641</u>	<u>\$ 3,283,088</u>

Schedule of Foreign Currency Contracts
as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	2	Jan 2017	USD	\$ (264)	SGD	\$ 264	\$ -
2016	1	Jan 2017	USD	(1,587)	IDR	1,587	-
2016	1	Jan 2017	USD	(11)	PHP	11	-
	-			(1,862)		1,862	-
2016	1	Jan 2017	HKD	(4,024)	USD	4,023	(1)
2016	3	Jan 2017	USD	(4,244)	IDR	4,231	(13)
	-			(8,268)		8,254	(14)
				<u>\$ (10,130)</u>		<u>\$ 10,116</u>	<u>\$ (14)</u>
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2015	1	Jan 2016	GBP	(236)	CAD	237	1

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

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

The investment objective of the Active Asian Equity Fund (the Fund) is to exceed the return of the Fund's benchmark, the Morgan Stanley Capital International (MSCI) All Country Asia Pacific ex-Japan Net Index (the Index), by 200 basis points per annum, net of all investment expenses, on a four year moving average. The Fund provides clients with a diversity of active management investment styles, exposure to a variety of market outlooks, and exposure to the various segments of Asian equity markets. As an actively managed portfolio, the focus is on selecting quality companies, sectors, and/or country allocations that will generate higher returns than the Index. The Fund's characteristics may differ significantly relative to the Index. The Fund is designed to complement clients' international equity holdings and give them greater exposure to developing and mature Asian equity markets.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of companies from the Asia Pacific region,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- units in the Managers' pooled funds provided such holdings are permissible investments of the Fund,
- money market securities rated A-1(low) or better, and
- units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and other bclMC short-term fixed income pooled fund.

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- Investments in Japanese securities are limited to 20% of the market value of the Fund.
- Investments in companies whose country is classified as a frontier market by MSCI are limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

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

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

DERIVATIVE LIABILITIES (in 000s)	2016		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (8,268)	\$ (8,268)	\$ (8,268)
Inflows	8,254	8,254	8,254
	<u>\$ (14)</u>	<u>\$ (14)</u>	<u>\$ (14)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

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

Interest Rate Risk

The majority 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 December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 544,445	\$ -	\$ 544,445	12.5 %
British Pound Sterling	87,166	-	87,166	2.0 %
Hong Kong Dollar	1,182,776	(4,024)	1,178,752	27.0 %
Indian Rupee	294,347	-	294,347	6.7 %
Indonesian Rupiah	141,333	4,232	145,565	3.3 %
Israeli Shekel	292,981	-	292,981	6.7 %
Japanese Yen	450,116	-	450,116	10.3 %
Korean Won	33,902	-	33,902	0.8 %
Phillippine Peso	62,981	-	62,981	1.4 %
Singapore Dollar	259,591	44	259,635	5.9 %
Taiwan Dollar	340,165	-	340,165	7.8 %
Thai Baht	123,879	-	123,879	2.8 %
United States Dollar	562,015	(266)	561,749	12.9 %
Net Foreign Exchange Exposure	\$ 4,375,697	\$ (14)	\$ 4,375,683	100.1 %

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

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 535,496	\$ -	\$ 535,496	12.7 %
British Pound Sterling	102,603	(236)	102,367	2.4 %
Euro	17	-	17	- %
Hong Kong Dollar	1,169,646	-	1,169,646	27.7 %
Indian Rupee	285,989	-	285,989	6.8 %
Indonesian Rupiah	76,528	-	76,528	1.8 %
Japanese Yen	285,484	-	285,484	6.8 %
Korean Won	320,929	-	320,929	7.6 %
Malaysian Ringgit	42,903	-	42,903	1.0 %
Phillippine Peso	90,379	-	90,379	2.1 %
Singapore Dollar	288,295	-	288,295	6.8 %
Taiwan Dollar	332,374	-	332,374	7.9 %
Thai Baht	131,498	-	131,498	3.1 %
United States Dollar	527,752	-	527,752	12.5 %
Net Foreign Exchange Exposure	\$ 4,189,893	\$ (236)	\$ 4,189,657	99.2 %

As at December 31, 2016, 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 by \$43,757,000 (2015 - \$41,897,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the 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

ACTIVE ASIAN EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 347,525	8.0 %	\$ 229,897	5.4 %
Consumer Staple	199,552	4.6 %	227,899	5.5 %
Energy	125,593	2.9 %	85,040	2.1 %
Financial Services	1,508,064	35.1 %	1,750,425	42.2 %
Health Care	196,158	4.6 %	259,696	6.3 %
Industrial Products	364,056	8.5 %	360,910	8.7 %
Information Technology	928,788	21.6 %	732,870	17.7 %
Materials and Processing	333,308	7.8 %	268,071	6.5 %
Telecommunication Services	219,950	5.1 %	168,830	4.1 %
Utilities	76,426	1.8 %	60,513	1.5 %
Total Equities	<u>\$ 4,299,420</u>	<u>100.0 %</u>	<u>\$ 4,144,151</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$404,378,000 (2015 - \$374,703,000) or 9.3% (2015 – 8.9%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Australia	\$ 528,748	12.2 %	\$ 525,085	12.7 %
China	805,352	18.7 %	714,374	17.2 %
Hong Kong	643,363	15.0 %	662,113	16.0 %
India	454,340	10.6 %	503,066	12.1 %
Indonesia	149,649	3.5 %	76,528	1.8 %
Japan	291,698	6.8 %	284,573	6.9 %
Korea	444,540	10.3 %	316,909	7.6 %
Malaysia	33,902	0.8 %	42,903	1.0 %
Phillippines	63,288	1.5 %	90,216	2.2 %
Singapore	259,095	6.0 %	287,292	6.9 %
Taiwan	398,929	9.3 %	377,144	9.1 %
Thailand	123,879	2.9 %	130,583	3.2 %
United Kingdom	87,166	2.0 %	99,130	2.4 %
United States	15,471	0.4 %	34,235	0.9 %
Total Equities	<u>\$ 4,299,420</u>	<u>100.0 %</u>	<u>\$ 4,144,151</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 4,299,420	\$ -	\$ 4,299,420
Money Market Funds	1,471	-	1,471
Total Investments	\$ 4,300,891	\$ -	\$ 4,300,891
Foreign Currency Contracts, Net	-	(14)	(14)
Total	\$ 4,300,891	\$ (14)	\$ 4,300,877

	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 4,144,151	\$ -	\$ 4,144,151
Money Market Funds	1,490	-	1,490
Total Investments	\$ 4,145,641	\$ -	\$ 4,145,641
Foreign Currency Contracts, Net	-	1	1
Total	\$ 4,145,641	\$ 1	\$ 4,145,642

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 bclMC	1	\$ 3,028,308	\$ 1,471

Entity	December 31, 2015		
	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 bclMC	1	\$ 5,413,942	\$ 1,490

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED ASIAN EQUITY FUND

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)			
	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 3,069	\$ 1,253
Dividends receivable		2,495	3,507
Security lending revenue receivable		28	48
Withholding taxes receivable		14	16
Receivable from reinvestment of distributions		-	55
Investments		<u>1,859,202</u>	<u>2,433,774</u>
		<u>1,864,808</u>	<u>2,438,653</u>
Liabilities			
Payable for purchase of investments		2,174	-
bclMC funds management fees payable	4	154	120
Other accounts payable		12	66
Distributions payable		-	55
		<u>2,340</u>	<u>241</u>
Net assets attributable to holders of redeemable units			
		<u>\$ 1,862,468</u>	<u>\$ 2,438,412</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,091.430</i>	<i>1,434.509</i>
Net assets attributable to holders of redeemable units per unit			
		<u>\$ 1,706</u>	<u>\$ 1,700</u>
<i>Contingent liability</i>	6		

Statement of Comprehensive Income/(Loss) (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ (1)	\$ 8
Dividend income		60,530	78,056
Securities lending income		374	682
Foreign exchange loss		(326)	(398)
Change in fair value of investments:	7		
Net realized gain		141,833	14,977
Net change in unrealized (appreciation) depreciation		(217,343)	378,427
Total revenue (loss)		<u>(14,933)</u>	<u>471,752</u>
Expenses:			
bclMC funds management fees	4	1,661	1,390
Administrative fees		258	263
Commissions and stock exchange fees		314	69
Withholding taxes	8	4,950	4,897
Total operating expenses		<u>7,183</u>	<u>6,619</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(22,116)</u>	<u>465,133</u>
Distributions to holders of redeemable units:			
From net investment income		(54,675)	(68,288)
From net realized gains on investments		(142,691)	(14,987)
		<u>(197,366)</u>	<u>(83,275)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (219,482)</u>	<u>\$ 381,858</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED ASIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 2,438,412	\$ 1,989,419
Increase (decrease) in net assets attributable to holders of redeemable units	(219,482)	381,858
Redeemable unit transactions:		
Proceeds from units issued	175,099	97,411
Reinvestment of distributions	197,366	83,275
Amounts paid for units redeemed	(728,927)	(113,551)
Net increase (decrease) from redeemable unit transactions	(356,462)	67,135
Balance, end of year	\$ 1,862,468	\$ 2,438,412

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (219,482)	\$ 381,858
Adjustments for:		
Foreign exchange loss	326	398
Interest income	1	(8)
Dividend income	(60,530)	(78,056)
Withholding taxes	4,950	4,897
Net realized gain from investments	(141,833)	(14,977)
Net change in unrealized (appreciation) depreciation from investments	217,343	(378,427)
Non cash distributions	197,366	83,275
Proceeds from sale of investments	662,400	130,932
Amounts paid for purchase of investments	(163,338)	(185,021)
Security lending revenue receivable	20	(9)
Payable for purchase of investments	2,174	(500)
bcIMC funds management fees payable	34	36
Other accounts payable	(54)	(1)
Interest received	(1)	8
Dividends received	61,542	76,937
Withholding taxes paid	(4,948)	(4,902)
	<u>555,970</u>	<u>16,440</u>
Financing activities:		
Proceeds from issue of redeemable units	175,099	97,411
Payments on redemption of redeemable units	(728,927)	(113,551)
	<u>(553,828)</u>	<u>(16,140)</u>
Net increase in cash	2,142	300
Effect of exchange rate changes on cash	(326)	(398)
Cash, beginning of year	<u>1,253</u>	<u>1,351</u>
Cash, end of year	\$ 3,069	\$ 1,253

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED ASIAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,858,826	\$ 1,374,131	\$ 2,433,656	\$ 1,731,618
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio				
Fund ST1	376	376	-	-
Fund ST2	-	-	118	118
Total Investments	<u>\$ 1,859,202</u>	<u>\$ 1,374,507</u>	<u>\$ 2,433,774</u>	<u>\$ 1,731,736</u>

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	JPY	\$ (203)	HKD	\$ 203	\$ -
2016	1	Jan 2017	AUD	(39)	HKD	39	-
2016	1	Jan 2017	AUD	(303)	JPY	303	-
				<u>\$ (545)</u>		<u>\$ 545</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED ASIAN EQUITY FUND

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

The Indexed Asian Equity Fund (the Fund) provides clients with broad exposure to developed Asian equity markets. The Fund's objective is to exceed the return of the Morgan Stanley Capital International (MSCI) Pacific Net Index (the Index), the Fund's benchmark, by 30 basis points per annum, net of all investment expenses. Performance results will track quite closely to the underlying benchmark. The Fund is managed internally by bclMC. bclMC portfolio managers hold all company, sector, and country allocations at or near their benchmark weights but have discretion to determine the appropriate timing of implementing Index changes.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of benchmark member companies,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- private placement securitites that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1(low) or better, and units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED ASIAN EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

The majority 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 December 31, 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.

CURRENCY (in 000s)	2016				
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Australian Dollar	\$ 381,988	\$ (342)	\$ 381,646	20.5 %	
Hong Kong Dollar	155,606	242	155,848	8.4 %	
Japanese Yen	1,240,727	100	1,240,827	66.5 %	
New Zealand Dollar	9,065	-	9,065	0.5 %	
Singapore Dollar	62,559	-	62,559	3.4 %	
United States Dollar	12,202	-	12,202	0.7 %	
Net Foreign Exchange Exposure	\$ 1,862,147	\$ -	\$ 1,862,147	100.0 %	

Financial Risk Management Discussion (continued)
as at December 31

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 479,474	\$ -	\$ 479,474	19.7 %
Hong Kong Dollar	212,935	-	212,935	8.7 %
Japanese Yen	1,642,172	-	1,642,172	67.3 %
New Zealand Dollar	10,755	-	10,755	0.4 %
Singapore Dollar	86,790	-	86,790	3.6 %
United States Dollar	6,155	-	6,155	0.3 %
Net Foreign Exchange Exposure	\$ 2,438,281	\$ -	\$ 2,438,281	100.0 %

As at December 31, 2016, 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 by \$18,621,000 (2015 - \$24,383,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED ASIAN EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 291,677	15.7 %	\$ 394,744	16.4 %
Consumer Staple	128,118	6.9 %	166,081	6.8 %
Energy	29,559	1.6 %	36,924	1.5 %
Financial Services	565,885	30.4 %	764,989	31.4 %
Health Care	116,601	6.3 %	164,206	6.7 %
Industrial Products	303,963	16.4 %	381,346	15.7 %
Information Technology	133,975	7.2 %	173,368	7.1 %
Materials and Processing	137,902	7.4 %	151,595	6.2 %
Telecommunication Services	93,391	5.0 %	116,487	4.8 %
Utilities	57,755	3.1 %	83,916	3.4 %
Total Equities	<u>\$ 1,858,826</u>	<u>100.0 %</u>	<u>\$ 2,433,656</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$185,541,000 (2015 - \$243,021,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Australia	\$ 380,199	20.6 %	\$ 477,482	19.7 %
Hong Kong	165,971	8.9 %	216,013	8.9 %
Japan	1,239,286	66.6 %	1,640,866	67.4 %
New Zealand	9,057	0.5 %	10,746	0.4 %
Singapore	63,295	3.4 %	88,128	3.6 %
United States	1,018	- %	421	- %
Total Equities	<u>\$ 1,858,826</u>	<u>100.0 %</u>	<u>\$ 2,433,656</u>	<u>100.0 %</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED ASIAN EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 1,858,826	\$ -	\$ 1,858,826
Money Market Funds	376	-	376
Total Investments	\$ 1,859,202	\$ -	\$ 1,859,202

(in 000s)	December 31, 2015		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 2,433,656	\$ -	\$ 2,433,656
Money Market Funds	118	-	118
Total Investments	\$ 2,433,774	\$ -	\$ 2,433,774

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 bclMC	1	\$ 557,706	\$ 376

Entity	December 31, 2015		
	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 bclMC	1	\$ 5,314,942	\$ 118

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 23,949	\$ 32,710
Receivable from sale of investments		-	3,859
Dividends receivable		1,133	2,289
Security lending revenue receivable		75	142
Withholding taxes receivable		2,946	4,213
Derivative assets:			
Foreign currency contracts		-	13
Investments		<u>2,738,082</u>	<u>3,466,582</u>
		<u>2,766,185</u>	<u>3,509,808</u>
Liabilities			
External management fees payable		2,552	3,100
bclMC funds management fees payable	4	183	153
Other accounts payable		<u>20</u>	<u>146</u>
		<u>2,755</u>	<u>3,399</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,763,430</u></u>	<u><u>\$ 3,506,409</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>1,350.781</i>	<i>1,668.633</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,046</u></u>	<u><u>\$ 2,101</u></u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 29	\$ 242
Dividend income		112,095	96,662
Securities lending income		1,975	2,578
Foreign exchange loss		(3,111)	(486)
Change in fair value of investments and derivatives:	7		
Net realized gain		161,822	124,383
Net change in unrealized appreciation (depreciation)		<u>(358,071)</u>	<u>394,524</u>
Total revenue (loss)		<u>(85,261)</u>	<u>617,903</u>
Expenses:			
bclMC funds management fees	4	2,211	1,783
External management fees		11,618	12,494
Administrative fees		430	558
Commissions and stock exchange fees		2,243	1,941
Withholding taxes	8	<u>15,413</u>	<u>11,227</u>
Total operating expenses		<u>31,915</u>	<u>28,003</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(117,176)</u>	<u>589,900</u>
Distributions to holders of redeemable units:			
From net investment income		<u>(82,451)</u>	<u>(70,645)</u>
		<u>(82,451)</u>	<u>(70,645)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (199,627)</u></u>	<u><u>\$ 519,255</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 3,506,409	\$ 2,763,861
Increase (decrease) in net assets attributable to holders of redeemable units	(199,627)	519,255
Redeemable unit transactions:		
Proceeds from units issued	9,812	544,633
Reinvestment of distributions	82,451	70,645
Amounts paid for units redeemed	(635,615)	(391,985)
Net increase (decrease) from redeemable unit transactions	(543,352)	223,293
Balance, end of year	<u><u>\$ 2,763,430</u></u>	<u><u>\$ 3,506,409</u></u>

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (199,627)	\$ 519,255
Adjustments for:		
Foreign exchange loss	3,111	486
Interest income	(29)	(242)
Dividend income	(112,095)	(96,662)
Withholding taxes	15,413	11,227
Net realized gain from investments and derivatives	(161,822)	(124,383)
Net change in unrealized (appreciation) depreciation from investments and derivatives	358,071	(394,524)
Non cash distributions	82,451	70,645
Proceeds from sale of investments	1,534,901	677,742
Amounts paid for purchase of investments	(1,002,637)	(896,278)
Receivable from sale of investments	3,859	(3,842)
Security lending revenue receivable	67	(99)
External management fees payable	(548)	465
bcIMC funds management fees payable	30	47
Other accounts payable	(126)	17
Interest received	29	242
Dividends received	113,251	96,935
Withholding taxes paid	(14,146)	(13,152)
	<u>620,153</u>	<u>(152,121)</u>
Financing activities:		
Proceeds from issue of redeemable units	9,812	544,633
Payments on redemption of redeemable units	(635,615)	(391,985)
	<u>(625,803)</u>	<u>152,648</u>
Net increase (decrease) in cash	(5,650)	527
Effect of exchange rate changes on cash	(3,111)	(486)
Cash, beginning of year	<u>32,710</u>	<u>32,669</u>
Cash, end of year	<u><u>\$ 23,949</u></u>	<u><u>\$ 32,710</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	\$ 2,736,637	\$ 2,229,614	\$ 3,465,641	\$ 2,600,560
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST2	<u>1,445</u>	<u>1,444</u>	<u>941</u>	<u>940</u>
Total Investments	<u><u>\$ 2,738,082</u></u>	<u><u>\$ 2,231,058</u></u>	<u><u>\$ 3,466,582</u></u>	<u><u>\$ 2,601,500</u></u>

Schedule of Foreign Currency Contracts
as at December 31
(all amounts reported in thousands of Canadian dollars)

<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Date</u>	<u>Currency Code</u>	<u>Amount Sold</u>	<u>Currency Code</u>	<u>Amount Bought</u>	<u>Unrealized Gain (Loss)</u>
2015	1	Jan 2016	DKK	<u>\$ (3,575)</u>	CAD	<u>\$ 3,588</u>	<u>\$ 13</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

The investment objective of the Active European Equity Fund (the Fund) is to exceed the return of the Fund's benchmark, the Morgan Stanley Capital International (MSCI) Europe Net Index (the Index), by 150 basis points per annum, net of all investment expenses on a four year moving average. The Fund provides clients with exposure to a portfolio of actively managed European stocks, a diversity of active management investment styles, exposure to a variety of market outlooks, and exposure to the various segments of European equity markets, including emerging markets. As an actively managed portfolio, the focus is on selecting quality companies that will generate higher returns than the Index. The Fund's financial characteristics, company, sector, and country weightings may differ significantly from the Index.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of European companies,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in the Managers' pooled funds provided such holdings are permissible investments of the Fund,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Investments in European emerging markets and investments in the securities of a single company are both limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The established minimum credit ratings for the counterparties outlined above mitigate the counterparty risk.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

Interest Rate Risk

The majority 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 December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	541,487	-	541,487	19.6 %
Danish Krone	56,316	-	56,316	2.0 %
Euro	1,508,373	-	1,508,373	54.6 %
Hungarian Forint	240	-	240	- %
Norwegian Krone	89,903	-	89,903	3.3 %
Polish Zloty	2,694	-	2,694	0.1 %
Swedish Krona	107,219	-	107,219	3.9 %
Swiss Franc	310,812	-	310,812	11.2 %
Turkish Lira	31,902	-	31,902	1.2 %
United States Dollar	94,190	-	94,190	3.4 %
Net Foreign Exchange Exposure	\$ 2,743,136	\$ -	\$ 2,743,136	99.3 %

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

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	739,216	-	739,216	21.1 %
Danish Krone	138,017	(3,575)	134,442	3.8 %
Euro	1,855,966	-	1,855,966	52.9 %
Norwegian Krone	106,146	-	106,146	3.0 %
Polish Zloty	10,671	-	10,671	0.3 %
Swedish Krona	156,729	-	156,729	4.5 %
Swiss Franc	402,152	-	402,152	11.5 %
Turkish Lira	37,092	-	37,092	1.1 %
United States Dollar	39,361	-	39,361	1.1 %
Net Foreign Exchange Exposure	\$ 3,485,350	\$ (3,575)	\$ 3,481,775	99.3 %

As at December 31, 2016, 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 by \$27,431,000 (2015 - \$34,818,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 360,297	13.2 %	\$ 464,874	13.3 %
Consumer Staple	214,624	7.8 %	252,214	7.3 %
Energy	267,253	9.8 %	194,365	5.6 %
Financial Services	533,456	19.5 %	769,528	22.2 %
Health Care	486,600	17.8 %	803,839	23.2 %
Industrial Products	353,650	12.9 %	410,899	11.9 %
Information Technology	268,100	9.8 %	283,117	8.2 %
Materials and Processing	170,840	6.2 %	137,111	4.0 %
Telecommunication Services	59,662	2.2 %	86,508	2.5 %
Utilities	22,155	0.8 %	63,186	1.8 %
Total Equities	<u>\$ 2,736,637</u>	<u>100.0 %</u>	<u>\$ 3,465,641</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$276,014,000 (2015 - \$351,110,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Austria	5,968	0.2 %	2,565	0.1 %
Belgium	21,251	0.8 %	53,230	1.5 %
Denmark	56,033	2.0 %	134,442	3.9 %
Finland	94,093	3.4 %	90,285	2.6 %
France	521,633	19.1 %	670,569	19.3 %
Germany	478,923	17.5 %	584,549	16.9 %
Greece	798	- %	-	- %
Ireland	9,058	0.3 %	10,594	0.3 %
Italy	95,426	3.6 %	124,365	3.7 %
Netherlands	141,587	5.2 %	181,897	5.2 %
Norway	89,753	3.3 %	106,146	3.1 %
Portugal	24,288	0.9 %	5,458	0.2 %
Russia	31,614	1.2 %	600	- %
Spain	72,650	2.7 %	72,903	2.1 %
Sweden	107,219	3.9 %	156,445	4.5 %
Switzerland	309,675	11.3 %	402,147	11.6 %
United Kingdom	642,523	23.4 %	821,683	23.6 %
Turkey	31,451	1.1 %	37,092	1.1 %
Poland	2,694	0.1 %	10,671	0.3 %
Total Equities	<u>\$ 2,736,637</u>	<u>100.0 %</u>	<u>\$ 3,465,641</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,736,637	\$ -	\$ 2,736,637
Money Market Funds	1,445	-	1,445
Total Investments	<u>\$ 2,738,082</u>	<u>\$ -</u>	<u>\$ 2,738,082</u>

	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 3,465,641	\$ -	\$ 3,465,641
Money Market Funds	941	-	941
Total Investments	<u>\$ 3,466,582</u>	<u>\$ -</u>	<u>\$ 3,466,582</u>
Foreign Currency Contracts, Net	-	13	13
Total	<u>\$ 3,466,582</u>	<u>\$ 13</u>	<u>\$ 3,466,595</u>

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 bclMC	1	\$ 3,028,308	\$ 1,445

Entity	December 31, 2015		
	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 bclMC	1	\$ 5,413,942	\$ 941

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EUROPEAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 637	\$ 1,529
Receivable from sale of investments		414	-
Dividends receivable		895	2,402
Security lending revenue receivable		16	68
Withholding taxes receivable		2,655	1,599
Receivable from reinvestment of distributions		-	3,466
Investments		<u>999,072</u>	<u>2,531,231</u>
		<u>1,003,689</u>	<u>2,540,295</u>
Liabilities			
Payable for purchase of investments		236	329
bclMC funds management fees payable	4	88	152
Other accounts payable		5	89
Distributions payable		<u>-</u>	<u>3,466</u>
		<u>329</u>	<u>4,036</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,003,360</u></u>	<u><u>\$ 2,536,259</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>506.898</i>	<i>1,232.377</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,979</u></u>	<u><u>\$ 2,058</u></u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 3	\$ 17
Dividend income		81,711	87,620
Securities lending income		874	1,877
Foreign exchange gain (loss)		(1,086)	3,787
Change in fair value of investments and derivatives:	7		
Net realized gain		199,958	144,148
Net change in unrealized appreciation (depreciation)		(432,257)	174,628
Total revenue (loss)		<u>(150,797)</u>	<u>412,077</u>
Expenses:			
bclMC funds management fees	4	1,813	1,793
Administrative fees		296	401
Commissions and stock exchange fees		702	756
Withholding taxes	8	8,581	10,227
Total operating expenses		<u>11,392</u>	<u>13,177</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(162,189)</u>	<u>398,900</u>
Distributions to holders of redeemable units:			
From net investment income		(72,374)	(78,393)
From net realized gains on investments and derivatives		<u>(198,563)</u>	<u>(146,915)</u>
		<u>(270,937)</u>	<u>(225,308)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (433,126)</u></u>	<u><u>\$ 173,592</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EUROPEAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 2,536,259	\$ 2,557,836
Increase (decrease) in net assets attributable to holders of redeemable units	(433,126)	173,592
Redeemable unit transactions:		
Proceeds from units issued	60,215	619,731
Reinvestment of distributions	270,937	225,308
Amounts paid for units redeemed	<u>(1,430,925)</u>	<u>(1,040,208)</u>
Net decrease from redeemable unit transactions	<u>(1,099,773)</u>	<u>(195,169)</u>
Balance, end of year	<u>\$ 1,003,360</u>	<u>\$ 2,536,259</u>

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (433,126)	\$ 173,592
Adjustments for:		
Foreign exchange loss (gain)	1,086	(3,787)
Interest income	(3)	(17)
Dividend income	(81,711)	(87,620)
Withholding taxes	8,581	10,227
Net realized gain from investments and derivatives	(199,958)	(144,148)
Net change in unrealized (appreciation) depreciation from investments and derivatives	432,257	(174,628)
Non cash distributions	270,937	225,308
Proceeds from sale of investments	1,502,903	705,391
Amounts paid for purchase of investments	(203,043)	(363,848)
Receivable from sale of investments	(414)	-
Security lending revenue receivable	52	(2)
Payable for purchase of investments	(93)	(341)
bclMC funds management fees payable	(64)	17
Other accounts payable	(84)	(22)
Interest received	3	17
Dividends received	83,218	87,567
Withholding taxes paid	<u>(9,637)</u>	<u>(10,870)</u>
	<u>1,370,904</u>	<u>416,836</u>
Financing activities:		
Proceeds from issue of redeemable units	60,215	619,731
Payments on redemption of redeemable units	<u>(1,430,925)</u>	<u>(1,040,208)</u>
	<u>(1,370,710)</u>	<u>(420,477)</u>
Net increase (decrease) in cash	194	(3,641)
Effect of exchange rate changes on cash	(1,086)	3,787
Cash, beginning of year	<u>1,529</u>	<u>1,383</u>
Cash, end of year	<u>\$ 637</u>	<u>\$ 1,529</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EUROPEAN EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 999,036	\$ 830,562	\$ 2,531,064	\$ 1,930,334
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST2	36	35	167	165
Total Investments	\$ 999,072	\$ 830,597	\$ 2,531,231	\$ 1,930,499

Schedule of Foreign Currency Contracts
as at December 31
(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	EUR	\$ (23)	GBP	\$ 23	\$ -
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2015	1	Jan 2016	CHF	\$ (7)	EUR	\$ 7	\$ -
2015	1	Jan 2016	GBP	(251)	EUR	251	-
				<u>\$ (258)</u>		<u>\$ 258</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EUROPEAN EQUITY FUND

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

The investment objective of the Indexed European Equity Fund (the Fund) is to provide participating clients with broad exposure to European stocks and to generate a risk/return profile that is very similar to the Morgan Stanley Capital International (MSCI) Europe Net Index (the Index), the Fund's benchmark. The Fund's performance objective is to exceed the benchmark return by 30 basis points per annum, net of all investment expenses incurred. The Fund is managed internally by bclMC. bclMC portfolio managers hold all company, sector, and country allocations roughly in proportion to their benchmark weights but have discretion to determine the appropriate timing of implementing Index changes.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of Index member companies,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1(low) or better, and units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and other bclMC short-term fixed income pooled funds, and
- units in the Floating Rate Funds.

The following restriction apply to the Fund:

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EUROPEAN EQUITY FUND

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

Interest Rate Risk

The majority 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 December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	273,626	23	273,649	27.3 %
Danish Krone	25,758	-	25,758	2.6 %
Euro	505,107	(23)	505,084	50.3 %
Norwegian Krone	10,184	-	10,184	1.0 %
Swedish Krona	44,505	-	44,505	4.4 %
Swiss Franc	138,034	-	138,034	13.8 %
United States Dollar	6,201	-	6,201	0.6 %
Net Foreign Exchange Exposure	\$ 1,003,415	\$ -	\$ 1,003,415	100.0 %

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

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	735,237	(251)	734,986	29.0 %
Danish Krone	74,548	-	74,548	2.9 %
Euro	1,216,303	258	1,216,561	48.0 %
Norwegian Krone	21,350	-	21,350	0.8 %
Swedish Krona	112,611	-	112,611	4.4 %
Swiss Franc	369,526	(7)	369,519	14.6 %
United States Dollar	6,532	-	6,532	0.3 %
Net Foreign Exchange Exposure	\$ 2,536,107	\$ -	\$ 2,536,107	100.0 %

As at December 31, 2016, 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 by \$10,034,000 (2015 - \$25,361,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the 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

INDEXED EUROPEAN EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 108,414	10.9 %	\$ 296,993	11.8 %
Consumer Staple	137,750	13.8 %	373,663	14.8 %
Energy	77,196	7.7 %	157,262	6.2 %
Financial Services	218,871	21.9 %	572,558	22.6 %
Health Care	127,515	12.8 %	355,327	14.0 %
Industrial Products	127,953	12.8 %	282,184	11.1 %
Information Technology	42,108	4.2 %	103,383	4.1 %
Materials and Processing	81,824	8.2 %	164,284	6.5 %
Telecommunication Services	42,033	4.2 %	125,495	5.0 %
Utilities	35,372	3.5 %	99,915	3.9 %
Total Equities	<u>\$ 999,036</u>	<u>100.0 %</u>	<u>\$ 2,531,064</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$99,528,000 (2015 - \$252,589,000) or 9.9% (2015 - 10.0%) of net assets attributable to redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Austria	\$ 2,981	0.3 %	\$ 7,074	0.3 %
Belgium	18,478	1.8 %	56,341	2.2 %
Denmark	25,577	2.6 %	74,543	2.9 %
Finland	15,265	1.5 %	35,198	1.4 %
France	161,273	16.1 %	381,609	15.1 %
Germany	146,375	14.7 %	357,212	14.1 %
Ireland	7,869	0.8 %	16,131	0.6 %
Italy	33,815	3.4 %	91,698	3.6 %
Netherlands	52,520	5.3 %	112,919	4.5 %
Norway	10,184	1.0 %	21,350	0.8 %
Portugal	2,490	0.2 %	5,944	0.2 %
Spain	49,948	5.0 %	125,348	5.0 %
Sweden	44,505	4.5 %	112,611	4.4 %
Switzerland	136,497	13.7 %	369,466	14.6 %
United Kingdom	291,259	29.1 %	763,620	30.3 %
Total Equities	<u>\$ 999,036</u>	<u>100.0 %</u>	<u>\$ 2,531,064</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EUROPEAN EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 999,036	\$ -	\$ 999,036
Money Market Funds	36	-	36
Total Investments	<u>\$ 999,072</u>	<u>\$ -</u>	<u>\$ 999,072</u>

	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,531,064	\$ -	\$ 2,531,064
Money Market Funds	167	-	167
Total Investments	<u>\$ 2,531,231</u>	<u>\$ -</u>	<u>\$ 2,531,231</u>

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 bclMC	1	\$ 3,028,308	\$ 36

Entity	December 31, 2015		
	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 bclMC	1	\$ 5,413,942	\$ 167

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 91,819	\$ 108,229
Receivable from sale of investments		3,615	-
Dividends receivable		2,986	2,617
Security lending revenue receivable		27	27
Withholding taxes receivable		1,168	456
Receivable from reinvestment of distributions		-	277
Investments		3,323,972	3,381,933
		<u>3,423,587</u>	<u>3,493,539</u>
Liabilities			
Payable for purchase of investments		-	2,016
External management fees payable		5,313	4,000
bclMC funds management fees payable	4	237	149
Other accounts payable		18	137
Distributions payable		-	277
Derivative liabilities:			
Foreign currency contracts		-	2
		<u>5,568</u>	<u>6,581</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,418,019</u>	<u>\$ 3,486,958</u>
<i>Number of redeemable units outstanding</i>	5	1,635.616	1,633.954
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,090</u>	<u>\$ 2,134</u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 8	\$ 258
Dividend income		82,422	67,843
Securities lending income		655	451
Foreign exchange gain (loss)		(690)	3,688
Change in fair value of investments and derivatives:	7		
Net realized gain		109,186	312,555
Net change in unrealized appreciation (depreciation)		(237,209)	293,812
Total revenue (loss)		<u>(45,628)</u>	<u>678,607</u>
Expenses:			
bclMC funds management fees	4	2,419	1,763
External management fees		15,051	14,854
Administrative fees		470	568
Commissions and stock exchange fees		4,292	3,182
Withholding taxes	8	4,371	4,240
Total operating expenses		<u>26,603</u>	<u>24,607</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(72,231)</u>	<u>654,000</u>
Distributions to holders of redeemable units:			
From net investment income		(59,739)	(48,185)
From net realized gains on investments and derivatives		(108,110)	(310,106)
		<u>(167,849)</u>	<u>(358,291)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (240,080)</u>	<u>\$ 295,709</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 3,486,958	\$ 2,830,096
Increase (decrease) in net assets attributable to holders of redeemable units	(240,080)	295,709
Redeemable unit transactions:		
Proceeds from units issued	3,292	117,595
Reinvestment of distributions	167,849	358,291
Amounts paid for units redeemed	-	(114,733)
Net increase from redeemable unit transactions	171,141	361,153
Balance, end of year	\$ 3,418,019	\$ 3,486,958

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (240,080)	\$ 295,709
Adjustments for:		
Foreign exchange loss (gain)	690	(3,688)
Interest income	(8)	(258)
Dividend income	(82,422)	(67,843)
Withholding taxes	4,371	4,240
Net realized gain from investments and derivatives	(109,186)	(312,555)
Net change in unrealized (appreciation) depreciation from investments and derivatives	237,209	(293,812)
Non cash distributions	167,849	358,291
Proceeds from sale of investments	1,767,542	1,543,349
Amounts paid for purchase of investments	(1,837,606)	(1,552,652)
Receivable from sale of investments	(3,615)	2,278
Security lending revenue receivable	-	(18)
Payable for purchase of investments	(2,016)	(1,168)
External management fees payable	1,313	731
bcIMC funds management fees payable	88	47
Other accounts payable	(119)	29
Interest received	8	258
Dividends received	82,053	67,406
Withholding taxes paid	(5,083)	(4,395)
	<u>(19,012)</u>	<u>35,949</u>
Financing activities:		
Proceeds from issue of redeemable units	3,292	117,595
Payments on redemption of redeemable units	-	(114,733)
	<u>3,292</u>	<u>2,862</u>
Net increase (decrease) in cash	(15,720)	38,811
Effect of exchange rate changes on cash	(690)	3,688
Cash, beginning of year	108,229	65,730
Cash, end of year	\$ 91,819	\$ 108,229

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,322,565	\$ 2,611,835	\$ 3,380,986	\$ 2,433,045
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST2	1,407	1,407	947	947
Total Investments	\$ 3,323,972	\$ 2,613,242	\$ 3,381,933	\$ 2,433,992

Schedule of Foreign Currency Contracts
as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	USD	\$ (70)	CAD	\$ 70	\$ -
2016	1	Jan 2017	JPY	(187)	USD	187	-
				<u>\$ (257)</u>		<u>\$ 257</u>	<u>\$ -</u>
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2015	1	Jan 2016	USD	\$ (76)	CAD	\$ 76	\$ -
2015	1	Jan 2016	CAD	(850)	HKD	848	(2)
				<u>\$ (926)</u>		<u>\$ 924</u>	<u>\$ (2)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

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

The investment objective of the Active Global Equity Fund (the Fund) is to exceed the Fund's benchmark return, the Morgan Stanley Capital International (MSCI) World ex-Canada Net Index (the Index), by 150 basis points per annum, net of all investment expenses over a four year rolling average. The Fund provides clients with exposure to a portfolio of actively managed stocks from across the globe, a diversity of active management investment styles, exposure to a variety of market outlooks, and market exposure across geographic lines, industry sectors, and market capitalizations. As an actively managed portfolio, the focus is on selecting quality companies, sectors, and country allocations that will generate higher returns than the Index. The Fund's financial characteristics may differ from the Index.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of companies from all equity markets,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Investments in the securities of a single company and investments in securities of emerging markets are each limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

DERIVATIVE LIABILITIES (in 000s)	2015		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (926)	\$ (926)	\$ (926)
Inflows	924	924	924
	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

The majority 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 December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 74,346	\$ -	\$ 74,346	2.2 %
British Pound Sterling	167,148	-	167,148	4.9 %
Danish Krone	31,855	-	31,855	0.9 %
Euro	447,655	-	447,655	13.1 %
Hong Kong Dollar	165,686	-	165,686	4.8 %
Indian Rupee	61,063	-	61,063	1.8 %
Israeli Shekel	4,165	-	4,165	0.1 %
Japanese Yen	220,281	(187)	220,094	6.4 %
Korean Won	36,982	-	36,982	1.1 %
Malaysian Ringgit	21,633	-	21,633	0.6 %
Norwegian Krone	7,428	-	7,428	0.2 %
Singapore Dollar	30,720	-	30,720	0.9 %
Swedish Krona	33,400	-	33,400	1.0 %
Swiss Franc	200,626	-	200,626	5.9 %
Taiwan Dollar	28,158	-	28,158	0.8 %
United States Dollar	1,807,553	117	1,807,670	52.9 %
Net Foreign Exchange Exposure	\$ 3,338,699	\$ (70)	\$ 3,338,629	97.6 %

Financial Risk Management Discussion (continued)
as at December 31

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 74,639	\$ -	\$ 74,639	2.1 %
British Pound Sterling	216,583	-	216,583	6.2 %
Danish Krone	52,946	-	52,946	1.5 %
Euro	299,826	76	299,902	8.6 %
Hong Kong Dollar	151,161	848	152,009	4.4 %
Indian Rupee	90,438	-	90,438	2.6 %
Israeli Shekel	6,264	-	6,264	0.2 %
Japanese Yen	250,433	-	250,433	7.2 %
Korean Won	13,941	-	13,941	0.4 %
Malaysian Ringgit	30,635	-	30,635	0.9 %
Norwegian Krone	6,663	-	6,663	0.2 %
Singapore Dollar	47,968	-	47,968	1.4 %
Swedish Krona	29,131	-	29,131	0.8 %
Swiss Franc	211,173	-	211,173	6.1 %
Taiwan Dollar	29,203	-	29,203	0.8 %
United States Dollar	1,897,809	(76)	1,897,733	54.4 %
Net Foreign Exchange Exposure	\$ 3,408,813	\$ 848	\$ 3,409,661	97.8 %

As at December 31, 2016, 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 by \$33,387,000 (2015 - \$34,097,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the 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

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 429,063	12.8 %	\$ 524,664	15.5 %
Consumer Staple	387,985	11.7 %	423,224	12.5 %
Energy	268,940	8.1 %	107,086	3.2 %
Financial Services	501,294	15.1 %	575,131	17.0 %
Health Care	367,699	11.1 %	537,323	15.9 %
Industrial Products	307,805	9.3 %	293,393	8.7 %
Information Technology	768,249	23.1 %	710,660	21.0 %
Materials and Processing	195,273	5.9 %	115,380	3.4 %
Telecommunication Services	59,958	1.8 %	62,927	1.9 %
Utilities	36,299	1.1 %	31,198	0.9 %
Total Equities	<u>\$ 3,322,565</u>	<u>100.0 %</u>	<u>\$ 3,380,986</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$316,167,000 (2015 - \$310,767,000) or 9.3% (2015 – 8.9%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Australia	\$ 74,346	2.3 %	\$ 74,639	2.2 %
Austria	-	- %	7,426	0.2 %
Brazil	10,193	0.3 %	-	- %
China	59,742	1.8 %	73,635	2.2 %
Denmark	31,508	0.9 %	52,584	1.6 %
France	171,463	5.2 %	162,203	4.8 %
Germany	102,948	3.1 %	58,692	1.7 %
Hong Kong	128,274	3.9 %	99,609	2.9 %
India	61,062	1.8 %	90,437	2.7 %
Ireland	17,951	0.5 %	3	- %
Israel	4,165	0.1 %	6,264	0.2 %
Italy	48,397	1.5 %	24,619	0.7 %
Japan	217,072	6.5 %	249,849	7.4 %
Korea	36,636	1.1 %	13,827	0.4 %
Malaysia	21,633	0.7 %	30,610	0.9 %
Netherlands	28,844	0.9 %	41,046	1.2 %
Norway	7,428	0.2 %	6,663	0.2 %
Russia	-	- %	22,166	0.7 %
Singapore	30,720	0.9 %	47,865	1.4 %
Spain	62,499	1.9 %	33,507	1.0 %
Sweden	33,400	1.0 %	29,131	0.9 %
Switzerland	199,122	6.0 %	210,265	6.2 %
Taiwan	71,748	2.2 %	49,050	1.5 %
United Kingdom	200,113	6.0 %	220,733	6.5 %
United States	1,645,652	49.5 %	1,751,741	51.8 %
Canada	57,649	1.7 %	24,422	0.7 %
Total Equities	<u>\$ 3,322,565</u>	<u>100.0 %</u>	<u>\$ 3,380,986</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

December 31, 2016				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)		Total
(in 000s)				
Public Equities	\$ 3,322,565	-	\$	3,322,565
Money Market Funds	1,407	-		1,407
Total Investments	\$ 3,323,972	\$ -	\$	3,323,972

December 31, 2015				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)		Total
(in 000s)				
Public Equities	\$ 3,380,986	\$ -	\$	3,380,986
Money Market Funds	947	-		947
Total Investments	\$ 3,381,933	\$ -	\$	3,381,933
Foreign Currency Contracts, Net	-	(2)		(2)
Total	\$ 3,381,933	\$ (2)	\$	3,381,931

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

December 31, 2016			
Entity	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 bclMC	1	\$ 3,028,308	\$ 1,407

December 31, 2015			
Entity	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 bclMC	1	\$ 5,413,942	\$ 947

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ENHANCED INDEXED GLOBAL EQUITY FUND

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)			
	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 2,317	\$ 3,001
Receivable from sale of investments		-	-
Dividends receivable		2,989	3,434
Security lending revenue receivable		36	57
Withholding taxes receivable		789	553
Receivable from reinvestment of distributions		-	11,642
Investments		2,817,170	2,747,862
		<u>2,823,301</u>	<u>2,766,549</u>
Liabilities			
Payable for purchase of investments		1,571	494
Interest payable		3	-
bclMC funds management fees payable	4	225	148
Other accounts payable		7	75
Distributions payable		-	11,642
Derivative liabilities:			
Swaps		37	183
		<u>1,843</u>	<u>12,542</u>
Net assets attributable to holders of redeemable units		<u>\$ 2,821,458</u>	<u>\$ 2,754,007</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,183.165</i>	<i>1,183.165</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,385</u>	<u>\$ 2,328</u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss) (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 23	\$ 2
Dividend income		69,285	68,160
Securities lending income		404	671
Foreign exchange gain (loss)		(701)	25
Change in fair value of investments and derivatives:	7		
Net realized gain		104,144	275,818
Net change in unrealized appreciation (depreciation)		(98,807)	140,625
Total revenue		<u>74,348</u>	<u>485,301</u>
Expenses:			
bclMC funds management fees	4	2,159	1,643
Administrative fees		231	325
Commissions and stock exchange fees		951	1,227
Interest		150	175
Withholding taxes	8	3,406	2,973
Total operating expenses		<u>6,897</u>	<u>6,343</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>67,451</u>	<u>478,958</u>
Distributions to holders of redeemable units:			
From net investment income		(63,513)	(60,313)
From net realized gains on investments and derivatives		(105,171)	(286,458)
		<u>(168,684)</u>	<u>(346,771)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (101,233)</u>	<u>\$ 132,187</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ENHANCED INDEXED GLOBAL EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 2,754,007	\$ 2,275,049
Increase (decrease) in net assets attributable to holders of redeemable units	(101,233)	132,187
Redeemable unit transactions:		
Proceeds from units issued	-	19,347
Reinvestment of distributions	168,684	346,771
Amounts paid for units redeemed	-	(19,347)
Net increase from redeemable unit transactions	168,684	346,771
Balance, end of year	\$ 2,821,458	\$ 2,754,007

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (101,233)	\$ 132,187
Adjustments for:		
Foreign exchange loss (gain)	701	(25)
Interest income	(23)	(2)
Dividend income	(69,285)	(68,160)
Interest expense	150	175
Withholding taxes	3,406	2,973
Net realized gain from investments and derivatives	(104,144)	(275,818)
Net change in unrealized (appreciation) depreciation from investments and derivatives	98,807	(140,625)
Non cash distributions	168,684	346,771
Proceeds from sale of investments	3,111,476	3,704,546
Amounts paid for purchase of investments	(3,175,593)	(3,765,356)
Receivable from sale of investments	-	122
Security lending revenue receivable	21	(35)
Payable for purchase of investments	1,077	494
Interest payable	3	-
bcIMC funds management fees payable	77	52
Other accounts payable	(68)	10
Interest received	23	2
Dividends received	69,730	67,522
Interest paid	(150)	(175)
Withholding taxes paid	(3,642)	(3,206)
	17	1,452
Financing activities:		
Proceeds from issue of redeemable units	-	19,347
Payments on redemption of redeemable units	-	(19,347)
	-	-
Net increase in cash	17	1,452
Effect of exchange rate changes on cash	(701)	25
Cash, beginning of year	3,001	1,524
Cash, end of year	\$ 2,317	\$ 3,001

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ENHANCED INDEXED GLOBAL EQUITY FUND

Schedule of Investments

as at December 31
(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,815,499	\$ 2,394,674	\$ 2,747,666	\$ 2,227,886
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio				
Fund ST2	320	320	196	196
LIBOR Floating Rate Fund	1,351	1,349	-	-
Total Investments	\$ 2,817,170	\$ 2,396,343	\$ 2,747,862	\$ 2,228,082

Schedule of Swaps

as at December 31
(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Description	Notional	Value	Unrealized Gain (Loss)
2016	1	July 2017	Basket Swap	\$	37,270	\$ (37)
2015	1	Jan 2015	Basket Swap	\$	10,998	\$ (183)

Schedule of Foreign Currency Contracts

as at December 31
(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	2	Jan 2017	USD	\$ (58)	HKD	\$ 58	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ENHANCED INDEXED GLOBAL EQUITY FUND

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

The investment objective of the Enhanced Indexed Global Equity Fund (the Fund) is to exceed the return of the fund's benchmark, the Morgan Stanley Capital International (MSCI) World ex-Canada Net Index (the Index), by 100 basis points per annum, net of all investment expenses over a four year rolling average. The Fund is managed internally by bciMC. Enhanced indexing combines the value added strategies of active management with the risk controls of indexing.

The Enhanced Indexed Global Equity Fund differs from the Active Global Equity Fund in that it takes a lower level of active management risk and will more closely reflect the sector and financial characteristics of the Index. The portfolio managers will typically try to outperform the Index through company selection.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of Index member companies,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- money market securities rated A-1 (low) or better, as well as units of the Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and/or U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bciMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk of the swap counterparty is also monitored through an evaluation of the counterparty's credit quality.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

DERIVATIVE LIABILITIES (in 000s)	2016			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	3 months to 1 year
Outflows	\$ 37	\$ 37	\$ -	\$ 37
Inflows	-	-	-	-
	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ -</u>	<u>\$ 37</u>

DERIVATIVE LIABILITIES (in 000s)	2015			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	3 months to 1 year
Outflows	\$ 183	\$ 183	\$ 183	\$ -
Inflows	-	-	-	-
	<u>\$ 183</u>	<u>\$ 183</u>	<u>\$ 183</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ENHANCED INDEXED GLOBAL EQUITY FUND

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

Interest Rate Risk

The majority 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 December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 75,126	\$ -	\$ 75,126	2.7 %
British Pound Sterling	187,405	-	187,405	6.6 %
Danish Krone	17,347	-	17,347	0.6 %
Euro	334,937	-	334,937	11.9 %
Hong Kong Dollar	28,182	58	28,240	1.0 %
Israeli Shekel	2,246	-	2,246	0.1 %
Japanese Yen	256,716	-	256,716	9.1 %
New Zealand Dollar	2,633	-	2,633	0.1 %
Norwegian Krone	4,866	-	4,866	0.2 %
Singapore Dollar	14,047	-	14,047	0.5 %
Swedish Krona	33,588	-	33,588	1.2 %
Swiss Franc	84,361	-	84,361	3.0 %
United States Dollar	1,779,876	(58)	1,779,818	63.1 %
Net Foreign Exchange Exposure	\$ 2,821,330	\$ -	\$ 2,821,330	100.0 %

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

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 67,873	\$ -	\$ 67,873	2.5 %
British Pound Sterling	216,966	-	216,966	7.9 %
Danish Krone	19,012	-	19,012	0.7 %
Euro	332,480	-	332,480	12.1 %
Hong Kong Dollar	39,336	-	39,336	1.4 %
Israeli Shekel	5,339	-	5,339	0.2 %
Japanese Yen	256,552	-	256,552	9.3 %
New Zealand Dollar	2,352	-	2,352	0.1 %
Norwegian Krone	6,663	-	6,663	0.2 %
Singapore Dollar	11,127	-	11,127	0.4 %
Swedish Krona	28,229	-	28,229	1.0 %
Swiss Franc	94,405	-	94,405	3.4 %
United States Dollar	1,673,700	-	1,673,700	60.8 %
Net Foreign Exchange Exposure	\$ 2,754,034	\$ -	\$ 2,754,034	100.0 %

As at December 31, 2016, 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 by \$28,213,000 (2015 - \$27,540,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the 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

ENHANCED INDEXED GLOBAL EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 378,708	13.5 %	\$ 386,649	14.0 %
Consumer Staple	261,489	9.3 %	282,367	10.3 %
Energy	181,782	6.5 %	153,170	5.6 %
Financial Services	560,107	19.9 %	552,454	20.1 %
Health Care	359,482	12.8 %	386,091	14.1 %
Industrial Products	319,452	11.3 %	289,129	10.5 %
Information Technology	437,593	15.5 %	402,956	14.7 %
Materials and Processing	137,806	4.9 %	118,530	4.3 %
Telecommunication Services	93,341	3.3 %	89,969	3.3 %
Utilities	85,739	3.0 %	86,351	3.1 %
Total Equities	<u>\$ 2,815,499</u>	<u>100.0 %</u>	<u>\$ 2,747,666</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$285,230,000 (2015 - \$271,329,000) or 10.1% (2015 – 9.9%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Australia	\$ 74,787	2.7 %	\$ 67,629	2.5 %
Austria	1,433	0.1 %	2,563	0.1 %
Belgium	11,544	0.4 %	16,598	0.6 %
Denmark	17,288	0.6 %	19,011	0.7 %
Finland	14,005	0.5 %	11,644	0.4 %
France	111,783	4.0 %	98,126	3.6 %
Germany	94,735	3.4 %	101,682	3.7 %
Hong Kong	29,662	1.1 %	39,074	1.4 %
Ireland	4,905	0.2 %	4,370	0.2 %
Israel	6,720	0.2 %	7,619	0.3 %
Italy	20,969	0.7 %	27,393	1.0 %
Japan	256,380	9.1 %	256,226	9.3 %
Netherlands	38,415	1.4 %	35,236	1.3 %
New Zealand	2,444	0.1 %	2,352	0.1 %
Norway	4,826	0.2 %	6,663	0.2 %
Portugal	4,540	0.2 %	2,664	0.1 %
Singapore	14,007	0.5 %	11,080	0.4 %
Spain	29,273	1.0 %	31,553	1.1 %
Sweden	33,588	1.2 %	28,229	1.0 %
Switzerland	83,929	3.0 %	94,394	3.4 %
United Kingdom	193,147	6.9 %	218,597	8.0 %
United States	1,767,119	62.5 %	1,664,963	60.6 %
Total Equities	<u>\$ 2,815,499</u>	<u>100.0 %</u>	<u>\$ 2,747,666</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ENHANCED INDEXED GLOBAL EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

December 31, 2016				
(in 000s)	Level 1	Level 2		
	(Quoted Price in Active Market)	(Significant Observable Inputs)	Total	
Public Equities	\$ 2,815,499	\$ -	\$	2,815,499
Money Market Funds	320	-		320
Floating Rate Funds	1,351	-		1,351
Total Investments	\$ 2,817,170	\$ -	\$	2,817,170
Swaps	-	(37)		(37)
Total	\$ 2,817,170	\$ (37)	\$	2,817,133

December 31, 2015				
(in 000s)	Level 1	Level 2		
	(Quoted Price in Active Market)	(Significant Observable Inputs)	Total	
Public Equities	\$ 2,747,666	\$ -	\$	2,747,666
Money Market Funds	196	-		196
Total Investments	\$ 2,747,862	\$ -	\$	2,747,862
Swaps	-	(183)		(183)
Total	\$ 2,747,862	\$ (183)	\$	2,747,679

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

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ENHANCED INDEXED GLOBAL EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 funds administered by bcIMC	2	\$ 4,558,173	\$ 1,671

Entity	December 31, 2015		
	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	\$ 5,413,942	\$ 196

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)			
	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 1,829	\$ 1,335
Receivable from sale of investments		58	-
Dividends receivable		2,596	2,599
Security lending revenue receivable		-	29
Withholding taxes receivable		620	571
Receivable from reinvestment of distributions		-	254
Derivative assets:			
Swaps		51,936	-
Investments		3,495,397	2,081,949
		<u>3,552,436</u>	<u>2,086,737</u>
Liabilities			
Payable for purchase of investments		817	492
bclMC funds management fees payable	4	276	139
Other accounts payable		5	42
Distributions payable		-	254
		<u>1,098</u>	<u>927</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,551,338</u>	<u>\$ 2,085,810</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,590.439</i>	<i>967.914</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,233</u>	<u>\$ 2,155</u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 5,839	\$ 1
Dividend income		58,507	60,859
Securities lending income		324	502
Foreign exchange gain (loss)		(241)	1,283
Change in fair value of investments and derivatives:	7		
Net realized gain		63,337	100,344
Net change in unrealized appreciation		58,797	218,001
Total revenue		<u>186,563</u>	<u>380,990</u>
Expenses:			
bclMC funds management fees	4	2,679	1,497
Administrative fees		146	248
Commissions and stock exchange fees		214	118
Withholding taxes	8	2,808	2,577
Total operating expenses		<u>5,847</u>	<u>4,440</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>180,716</u>	<u>376,550</u>
Distributions to holders of redeemable units:			
From net investment income		(55,587)	(55,723)
From net realized gains on investments and derivatives		(67,621)	(100,478)
		<u>(123,208)</u>	<u>(156,201)</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 57,508</u>	<u>\$ 220,349</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 2,085,810	\$ 1,875,030
Increase in net assets attributable to holders of redeemable units	57,508	220,349
Redeemable unit transactions:		
Proceeds from units issued	1,496,852	122,428
Reinvestment of distributions	123,208	156,201
Amounts paid for units redeemed	(212,040)	(288,198)
Net increase (decrease) from redeemable unit transactions	1,408,020	(9,569)
Balance, end of year	\$ 3,551,338	\$ 2,085,810

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 57,508	\$ 220,349
Adjustments for:		
Foreign exchange loss (gain)	241	(1,283)
Interest income	(5,839)	(1)
Dividend income	(58,507)	(60,859)
Withholding taxes	2,808	2,577
Net realized gain from investments and derivatives	(63,337)	(100,344)
Net change in unrealized appreciation from investments and derivatives	(58,797)	(218,001)
Non cash distributions	123,208	156,201
Proceeds from sale of investments	251,456	333,135
Amounts paid for purchase of investments	(1,594,706)	(225,661)
Receivable from sale of investments	(58)	13
Receivable from issue of units	-	370
Security lending revenue receivable	29	(11)
Payable for purchase of investments	325	492
Payable for redemption of units	-	(370)
bcIMC funds management fees payable	137	41
Other accounts payable	(37)	(3)
Interest received	5,839	1
Dividends received	58,510	60,472
Withholding taxes paid	(2,857)	(2,253)
	<u>(1,284,077)</u>	<u>164,865</u>
Financing activities:		
Proceeds from issue of redeemable units	1,496,852	122,428
Payments on redemption of redeemable units	(212,040)	(288,198)
	<u>1,284,812</u>	<u>(165,770)</u>
Net increase (decrease) in cash	735	(905)
Effect of exchange rate changes on cash	(241)	1,283
Cash, beginning of year	1,335	957
Cash, end of year	\$ 1,829	\$ 1,335

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Schedule of Investments
as at December 31
(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,148,681	\$ 1,399,588	\$ 2,081,767	\$ 1,295,354
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio				
Fund ST2	224	224	182	182
LIBOR Floating Rate Fund	1,346,492	1,302,311	-	-
Total Investments	<u>\$ 3,495,397</u>	<u>\$ 2,702,123</u>	<u>\$ 2,081,949</u>	<u>\$ 1,295,536</u>

Schedule of Foreign Currency Contracts
as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	EUR	\$ (20)	USD	\$20	\$ -
2016	1	Jan 2017	USD	(17)	EUR	17	-
				<u>\$(37)</u>		<u>\$37</u>	<u>\$ -</u>

Schedule of Swaps

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Description	Notional Value	Unrealized Gain (Loss)
2016	1	July 2017	Equity Index	<u>\$ 1,300,278</u>	<u>\$ 51,936</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

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

The investment objective of the Indexed Global Equity Fund (the Fund) is to generate a risk/return profile that is similar to the Morgan Stanley Capital International (MSCI) World ex-Canada Net Index (the Index), the Fund's benchmark. The Fund's performance objective is to exceed the benchmark return by 30 basis points per annum, net of all investment expenses incurred. The Fund is managed internally by bclMC. bclMC portfolio managers hold company, sector, and country allocations roughly in proportion to their benchmark weights and have discretion to determine the appropriate timing of implementing Index changes.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of benchmark member companies,
- exchange traded funds based on or correclated to the Index or a subset of the Index,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval
- money market securities rated A-1 (low) or better, as well as units of the Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

Interest Rate Risk

The majority 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.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

**Financial Risk Management Discussion
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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 97,654	\$ -	\$ 97,654	2.7 %
British Pound Sterling	235,682	-	235,682	6.6 %
Danish Krone	21,487	-	21,487	0.6 %
Euro	411,608	(3)	411,605	11.6 %
Hong Kong Dollar	39,736	-	39,736	1.1 %
Israeli Shekel	3,374	-	3,374	0.1 %
Japanese Yen	318,076	-	318,076	9.0 %
New Zealand Dollar	2,218	-	2,218	0.1 %
Norwegian Krone	8,504	-	8,504	0.2 %
Singapore Dollar	16,040	-	16,040	0.5 %
Swedish Krona	37,624	-	37,624	1.1 %
Swiss Franc	114,053	-	114,053	3.2 %
United States Dollar	2,243,650	3	2,243,653	63.2 %
Net Foreign Exchange Exposure	\$ 3,549,706	\$ -	\$ 3,549,706	100.0 %

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

CURRENCY (in 000s)	2015			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 55,952	\$ -	\$ 55,952	2.7 %
British Pound Sterling	154,470	-	154,470	7.4 %
Danish Krone	15,096	-	15,096	0.7 %
Euro	253,491	-	253,491	12.2 %
Hong Kong Dollar	24,826	-	24,826	1.2 %
Israeli Shekel	5,376	-	5,376	0.3 %
Japanese Yen	192,468	-	192,468	9.2 %
New Zealand Dollar	1,190	-	1,190	0.1 %
Norwegian Krone	4,795	-	4,795	0.2 %
Singapore Dollar	10,455	-	10,455	0.5 %
Swedish Krona	23,813	-	23,813	1.1 %
Swiss Franc	77,189	-	77,189	3.7 %
United States Dollar	1,266,688	-	1,266,688	60.7 %
Net Foreign Exchange Exposure	\$ 2,085,809	\$ -	\$ 2,085,809	100.0 %

As at December 31, 2016, 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 by \$35,497,000 (2015 - \$20,858,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 270,540	12.7 %	\$ 280,233	13.5 %
Consumer Staple	213,502	9.9 %	220,337	10.6 %
Energy	143,329	6.7 %	117,285	5.6 %
Financial Services	438,176	20.4 %	420,159	20.2 %
Health Care	268,939	12.5 %	287,789	13.8 %
Industrial Products	243,816	11.3 %	224,839	10.8 %
Information Technology	324,155	15.1 %	304,487	14.6 %
Materials and Processing	103,194	4.8 %	88,561	4.3 %
Telecommunication Services	73,452	3.4 %	70,984	3.4 %
Utilities	69,578	3.2 %	67,093	3.2 %
Total Equities	<u>\$ 2,148,681</u>	<u>100.0 %</u>	<u>\$ 2,081,767</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$216,878,000 (2015 - \$207,749,000) or 6.1% (2015 - 10.0%) of net assets attributable to redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Australia	\$ 59,769	2.8 %	\$ 55,779	2.7 %
Austria	1,398	0.1 %	1,354	0.1 %
Belgium	9,596	0.4 %	11,560	0.6 %
Denmark	13,069	0.6 %	15,095	0.7 %
Finland	8,121	0.4 %	7,656	0.4 %
France	82,264	3.8 %	79,456	3.8 %
Germany	75,111	3.5 %	74,464	3.6 %
Hong Kong	25,697	1.2 %	25,194	1.2 %
Ireland	3,871	0.2 %	3,501	0.2 %
Israel	5,506	0.3 %	6,281	0.3 %
Italy	17,061	0.8 %	19,804	1.0 %
Japan	195,075	9.1 %	192,240	9.2 %
Netherlands	27,221	1.3 %	23,868	1.1 %
New Zealand	1,306	0.1 %	1,189	0.1 %
Norway	5,116	0.2 %	4,795	0.2 %
Portugal	1,255	0.1 %	1,442	0.1 %
Singapore	9,970	0.5 %	10,631	0.5 %
Spain	25,255	1.2 %	26,170	1.3 %
Sweden	23,168	1.1 %	23,813	1.1 %
Switzerland	69,660	3.2 %	77,178	3.7 %
United Kingdom	148,007	6.9 %	158,441	7.6 %
United States	1,341,185	62.2 %	1,261,856	60.5 %
Total Equities	<u>\$ 2,148,681</u>	<u>100.0 %</u>	<u>\$ 2,081,767</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,148,681	\$ -	\$ 2,148,681
Money Market Funds	224	-	224
Floating Rate Funds	1,346,492	-	1,346,492
Total Investments	\$ 3,495,397	\$ -	\$ 3,495,397
Swap	-	51,936	51,936
Total	\$ 3,495,397	\$ 51,936	\$ 3,547,333

	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,081,767	\$ -	\$ 2,081,767
Money Market Funds	182	-	182
Total Investments	\$ 2,081,949	\$ -	\$ 2,081,949

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 funds administered by bclMC	2	\$ 4,558,173	\$ 1,346,716

Entity	December 31, 2015		
	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 funds administered by bclMC	1	\$ 5,413,942	\$ 182

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL ESG EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 3,225	\$ 2,012
Receivable from sale of investments		1,322	-
Dividends receivable		5,205	5,134
Security lending revenue receivable		47	41
Withholding taxes receivable		1,079	325
Receivable from reinvestment of distributions		-	264
Investments		3,498,280	3,370,334
		<u>3,509,158</u>	<u>3,378,110</u>
Liabilities			
Payable for purchase of investments		2,810	642
bclMC funds management fees payable	4	310	258
Other accounts payable		8	51
Distributions payable		-	264
Derivative liabilities:			
Foreign currency contracts		-	3
		<u>3,128</u>	<u>1,218</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,506,030</u>	<u>\$ 3,376,892</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,858.167</i>	<i>1,858.167</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,887</u>	<u>\$ 1,817</u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income (loss)		\$ (1)	\$ 2
Dividend income		98,399	90,762
Securities lending income		568	707
Foreign exchange loss		(1,615)	(37,437)
Change in fair value of investments and derivatives:	7		
Net realized gain		72,267	87,619
Net change in unrealized appreciation (depreciation)		(32,673)	354,250
Total revenue		<u>136,945</u>	<u>495,903</u>
Expenses:			
bclMC funds management fees	4	3,340	1,982
Administrative fees		165	217
Commissions and stock exchange fees		384	1,261
Withholding taxes	8	3,918	4,374
Total operating expenses		<u>7,807</u>	<u>7,834</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>129,138</u>	<u>488,069</u>
Distributions to holders of redeemable units:			
From net investment income		(89,861)	(42,326)
From net realized gains on investments and derivatives		(72,140)	(87,707)
		<u>(162,001)</u>	<u>(130,033)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (32,863)</u>	<u>\$ 358,036</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL ESG EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 3,376,892	\$ 1,224,227
Increase (decrease) in net assets attributable to holders of redeemable units	(32,863)	358,036
Redeemable unit transactions:		
Proceeds from units issued	-	1,664,596
Reinvestment of distributions	162,001	130,033
Amounts paid for units redeemed	-	-
Net increase from redeemable unit transactions	162,001	1,794,629
Balance, end of year	\$ 3,506,030	\$ 3,376,892

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (32,863)	\$ 358,036
Adjustments for:		
Foreign exchange loss	1,615	37,437
Interest income	1	(2)
Dividend income	(98,399)	(90,762)
Withholding taxes	3,918	4,374
Net realized gain from investments and derivatives	(72,267)	(87,619)
Net change in unrealized (appreciation) depreciation from investments and derivatives	32,673	(354,250)
Non cash distributions	162,001	130,033
Proceeds from sale of investments	555,135	460,094
Amounts paid for purchase of investments	(643,490)	(2,167,926)
Receivable from sale of investments	(1,322)	17
Security lending revenue receivable	(6)	(28)
Payable for purchase of investments	2,168	642
bcIMC funds management fees payable	52	196
Other accounts payable	(43)	29
Interest received	(1)	2
Dividends received	98,328	87,363
Withholding taxes paid	(4,672)	(4,593)
	2,828	(1,626,957)
Financing activities:		
Proceeds from issue of redeemable units	-	1,664,596
	-	1,664,596
Net increase in cash	2,828	37,639
Effect of exchange rate changes on cash	(1,615)	(37,437)
Cash, beginning of year	2,012	1,810
Cash, end of year	\$ 3,225	\$ 2,012

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL ESG EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,498,254	\$ 2,835,520	\$ 3,370,114	\$ 2,674,704
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST2	26	26	220	220
Total Investments	\$ 3,498,280	\$ 2,835,546	\$ 3,370,334	\$ 2,674,924

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	USD	\$ (257)	JPY	\$ 257	\$ -
2016	1	Jan 2017	EUR	(234)	USD	234	-
2016	1	Jan 2017	EUR	(153)	CHF	153	-
				<u>\$ (644)</u>		<u>\$ 644</u>	<u>\$ -</u>
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2015	1	Jan 2016	USD	\$ (312)	EUR	\$ 311	\$ (1)
2015	1	Jan 2016	USD	(254)	GBP	252	(2)
				<u>\$ (566)</u>		<u>\$ 563</u>	<u>\$ (3)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

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

The Indexed Global ESG Equity Fund (the Fund) invests in global equity securities with high environmental, social, and governance ratings relative to their sector peers, providing broad exposure to global equity markets. The Fund's investment objective is to exceed the return of the Morgan Stanley Capital International (MSCI) World ESG Net Index (the Index), the Fund's benchmark, by 30 basis points per annum, net of all investment expenses incurred. The Fund is managed internally by bcIMC. bcIMC portfolio managers hold all investments in individual companies at approximately the same proportion as their weighting in the Index, with the exception of companies wholly excluded by bcIMC for having significant business activities contrary to environmental, social and governance (ESG) principles.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of benchmark member companies,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1(low) or better, and units of bcIMC's Pooled Investment Portfolios: Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in the floating rate funds.

The following restrictions apply to the Fund:

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds

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

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

	2015		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
DERIVATIVE LIABILITIES (in 000s)			
Outflows	\$ (566)	\$ (566)	\$ (566)
Inflows	563	563	563
	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ (3)</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

The majority 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 December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 121,862	\$ -	\$ 121,862	3.5 %
British Pound Sterling	181,365	-	181,365	5.2 %
Danish Krone	28,160	-	28,160	0.8 %
Euro	385,660	(387)	385,273	11.0 %
Hong Kong Dollar	23,636	-	23,636	0.7 %
Israeli Shekel	1,252	-	1,252	- %
Japanese Yen	305,724	257	305,981	8.7 %
New Zealand Dollar	3,688	-	3,688	0.1 %
Norwegian Krone	13,808	-	13,808	0.4 %
Singapore Dollar	16,744	-	16,744	0.5 %
Swedish Krona	60,887	-	60,887	1.7 %
Swiss Franc	116,246	153	116,399	3.3 %
United States Dollar	2,107,654	(23)	2,107,631	60.1 %
Net Foreign Exchange Exposure	\$ 3,366,686	\$ -	\$ 3,366,686	96.0 %

Financial Risk Management Discussion (continued)
as at December 31

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 109,528	\$ -	\$ 109,528	3.2 %
British Pound Sterling	257,098	252	257,350	7.6 %
Danish Krone	36,181	-	36,181	1.1 %
Euro	366,434	311	366,745	10.9 %
Hong Kong Dollar	20,831	-	20,831	0.6 %
Israeli Shekel	1,216	-	1,216	- %
Japanese Yen	309,584	-	309,584	9.2 %
New Zealand Dollar	2,177	-	2,177	0.1 %
Norwegian Krone	10,818	-	10,818	0.3 %
Singapore Dollar	15,720	-	15,720	0.5 %
Swedish Krona	52,634	-	52,634	1.6 %
Swiss Franc	123,325	-	123,325	3.7 %
United States Dollar	1,953,248	(566)	1,952,682	57.7 %
Net Foreign Exchange Exposure	\$ 3,258,794	\$ (3)	\$ 3,258,791	96.5 %

As at December 31, 2016, 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 by \$33,667,000 (2015 - \$32,588,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the 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

INDEXED GLOBAL ESG EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 425,898	12.3 %	\$ 444,724	13.1 %
Consumer Staple	329,204	9.4 %	322,615	9.6 %
Energy	235,423	6.7 %	166,354	4.9 %
Financial Services	758,523	21.7 %	734,060	21.8 %
Health Care	451,723	12.9 %	485,160	14.4 %
Industrial Products	386,094	11.0 %	348,872	10.4 %
Information Technology	513,391	14.7 %	475,432	14.1 %
Materials and Processing	171,125	4.9 %	164,999	4.9 %
Telecommunication Services	117,158	3.3 %	117,630	3.5 %
Utilities	109,715	3.1 %	110,268	3.3 %
Total Equities	<u>\$ 3,498,254</u>	<u>100.0 %</u>	<u>\$ 3,370,114</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$346,676,000 (2015 - \$335,529,000) or 9.9% (2015 - 9.9%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Australia	\$ 121,205	3.5 %	\$ 108,818	3.2 %
Austria	652	- %	868	- %
Belgium	5,040	0.1 %	6,904	0.2 %
Denmark	28,069	0.8 %	36,181	1.1 %
Finland	4,741	0.1 %	6,011	0.2 %
France	131,777	3.8 %	108,182	3.2 %
Germany	104,318	3.0 %	106,975	3.2 %
Hong Kong	23,596	0.7 %	20,620	0.6 %
Ireland	8,268	0.2 %	7,744	0.2 %
Israel	1,245	- %	1,203	- %
Italy	18,618	0.5 %	24,299	0.8 %
Japan	305,754	8.7 %	309,394	9.2 %
Netherlands	66,668	1.9 %	60,194	1.8 %
New Zealand	3,684	0.1 %	2,175	0.1 %
Norway	13,808	0.4 %	10,746	0.3 %
Portugal	3,658	0.1 %	3,347	0.1 %
Singapore	16,455	0.5 %	15,465	0.5 %
Spain	40,831	1.2 %	41,795	1.2 %
Sweden	60,887	1.7 %	52,501	1.6 %
Switzerland	115,784	3.3 %	123,325	3.7 %
United Kingdom	180,243	5.2 %	256,252	7.6 %
United States	2,103,995	60.2 %	1,949,480	57.7 %
Canada	138,958	4.0 %	117,635	3.5 %
Total Equities	<u>\$ 3,498,254</u>	<u>100.0 %</u>	<u>\$ 3,370,114</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

(in 000s)	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 3,498,254	\$ -	\$ 3,498,254
Money Market Funds	26	-	26
Total Investments	<u>\$ 3,498,280</u>	<u>\$ -</u>	<u>\$ 3,498,280</u>

(in 000s)	December 31, 2015		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 3,370,114	\$ -	\$ 3,370,114
Money Market Funds	220	-	220
Total Investments	<u>\$ 3,370,334</u>	<u>\$ -</u>	<u>\$ 3,370,334</u>
Foreign Currency Contracts, Net	-	(3)	(3)
Total	<u>\$ 3,370,334</u>	<u>\$ (3)</u>	<u>\$ 3,370,331</u>

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

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 3,028,308	\$ 26

Entity	December 31, 2015		
	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	\$ 5,413,942	\$ 220

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Financial Position (all amounts in thousands except number of units)				Statement of Comprehensive Income/(Loss) (all amounts in thousands)			
	Note	December 31, 2016	December 31, 2015		Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Assets				Revenue:			
Cash		\$ 216,405	\$ 205,998	Interest income		\$ 303	\$ 1,220
Receivable from sale of investments		14,621	3,940	Dividend income		187,116	207,814
Dividends receivable		18,394	14,307	Securities lending income		701	1,084
Security lending revenue receivable		64	67	Foreign exchange gain		403	20,527
Withholding taxes receivable		193	107	Change in fair value of investments and derivatives:	7		
Receivable from reinvestment of distributions		-	8,593	Net realized gain		73,682	383,294
Derivative assets:				Net change in unrealized appreciation (depreciation)		(94,482)	174,845
Foreign currency contracts		2	11	Total revenue		167,723	788,784
Investments		8,059,810	7,524,411				
		8,309,489	7,757,434	Expenses:			
Liabilities				bclMC funds management fees	4	5,582	4,181
Payable for purchase of investments		9,709	13,750	External management fees		53,600	50,509
External management fees payable		15,107	11,697	Administrative fees		5,739	6,785
bclMC funds management fees payable	4	569	326	Commissions and stock exchange fees		11,474	14,199
Other accounts payable		326	1,551	Withholding taxes	8	15,801	17,627
Distributions payable		-	8,593	Total operating expenses		92,196	93,301
Derivative liabilities:							
Foreign currency contracts		8	3	Increase in net assets attributable to holders of redeemable units from operations excluding distributions		75,527	695,483
		25,719	35,920				
Net assets attributable to holders of redeemable units		\$ 8,283,770	\$ 7,721,514	Distributions to holders of redeemable units:			
				From net investment income		(103,346)	(136,859)
<i>Number of redeemable units outstanding</i>	5	<i>6,282.642</i>	<i>5,906.766</i>	From net realized gains on investments and derivatives		(69,600)	(189,500)
Net assets attributable to holders of redeemable units per unit		\$ 1,319	\$ 1,307			(172,946)	(326,359)
				Increase (decrease) in net assets attributable to holders of redeemable units		\$ (97,419)	\$ 369,124
<i>Contingent liability</i>	6						

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 7,721,514	\$ 7,334,844
Increase (decrease) in net assets attributable to holders of redeemable units	(97,419)	369,124
Redeemable unit transactions:		
Proceeds from units issued	486,729	359,519
Reinvestment of distributions	172,946	326,359
Amounts paid for units redeemed	-	(668,332)
Net increase from redeemable unit transactions	659,675	17,546
Balance, end of year	\$ 8,283,770	\$ 7,721,514

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (97,419)	\$ 369,124
Adjustments for:		
Foreign exchange gain	(403)	(20,527)
Interest income	(303)	(1,220)
Dividend income	(187,116)	(207,814)
Withholding taxes	15,801	17,627
Net realized gain from investments and derivatives	(73,682)	(383,294)
Net change in unrealized (appreciation) depreciation from investments and derivatives	94,482	(174,845)
Non cash distributions	172,946	326,359
Proceeds from sale of investments	3,108,023	4,474,597
Amounts paid for purchase of investments	(3,664,208)	(4,318,004)
Receivable from sale of investments	(10,681)	(269)
Receivable from issue of units	-	27,700
Security lending revenue receivable	3	(26)
Payable for purchase of investments	(4,041)	(1,927)
Payable for redemption of units	-	(27,700)
External management fees payable	3,410	(243)
bclMC funds management fees payable	243	68
Other accounts payable	(1,225)	148
Interest received	303	1,220
Dividends received	183,029	206,011
Withholding taxes paid	(15,887)	(17,722)
	(476,725)	269,263
Financing activities:		
Proceeds from issue of redeemable units	486,729	359,519
Payments on redemption of redeemable units	-	(668,332)
	486,729	(308,813)
Net increase (decrease) in cash	10,004	(39,550)
Effect of exchange rate changes on cash	403	20,527
Cash, beginning of year	205,998	225,021
Cash, end of year	\$ 216,405	\$ 205,998

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 8,057,643	\$ 6,904,757	\$ 7,519,822	\$ 6,272,742
Bonds:				
Corporate	-	-	1,914	1,639
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST1	2,167	2,167	2,675	2,676
Total Investments	\$ 8,059,810	\$ 6,906,924	\$ 7,524,411	\$ 6,277,057

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	2	Jan 2017	USD	\$ (915)	MXN	\$ 916	\$ 1
2016	1	Jan 2017	USD	(2,163)	THB	2,164	1
2016	1	Jan 2017	USD	(35)	BRL	35	-
2016	1	Jan 2017	USD	(15)	PHP	15	-
				(3,128)		3,130	2
2016	2	Jan 2017	USD	(391)	IDR	390	(1)
2016	2	Jan 2017	ZAR	(645)	USD	643	(2)
2016	2	Jan 2017	THB	(1,710)	USD	1,705	(5)
2016	1	Jan 2017	HKD	(385)	USD	385	-
2016	1	Jan 2017	PHP	(75)	USD	75	-
				(3,206)		3,198	(8)
				\$ (6,334)		\$ 6,328	\$ (6)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2015	2	Jan 2016	SGD	\$ (2,782)	CAD	\$ 2,792	\$ 10
2015	1	Jan 2016	MXN	(202)	CAD	203	1
				(2,984)		2,995	11
2015	1	Jan 2016	MXN	(93)	CAD	92	(1)
2015	1	Jan 2016	USD	(145)	BRL	143	(2)
				(238)		235	(3)
				\$ (3,222)		\$ 3,230	\$ 8

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

The investment objective of the Active Emerging Markets Equity Fund (the Fund) is to provide clients with exposure to a portfolio of actively managed emerging market equity investments, with the potential of earning a higher rate of return than the Morgan Stanley Capital International (MSCI) Emerging Markets Net Index (the Index), the Fund's benchmark. The objective of the Fund is to exceed the benchmark return by 200 basis points per annum, net of all investment expenses incurred over a four year rolling average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of companies whose country is classified as an emerging market by MSCI, listed on an emerging market exchange, whose country is classified as a frontier market by MSCI, whose country is classified as a developed market by MSCI provided that 50% or more of those companies' assets, revenues or profits are derived from emerging markets, or listed on a Singapore exchange,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, and
- money market securities rated A-1 (low) or better, and units of the Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, U.S. Dollar Money Market Fund ST3, and other bclMC short-term fixed income pooled funds.

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

The following restrictions apply to the Fund:

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- Investments in companies whose country is classified as a frontier market by MSCI are limited to 10% of the market value of the Pool.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

DERIVATIVE LIABILITIES (in 000s)	2016		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (3,206)	\$ (3,206)	\$ (3,206)
Inflows	3,198	3,198	3,198
	<u>\$ (8)</u>	<u>\$ (8)</u>	<u>\$ (8)</u>

DERIVATIVE LIABILITIES (in 000s)	2015		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (238)	\$ (238)	\$ (238)
Inflows	235	235	235
	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ (3)</u>

Interest Rate Risk

The majority 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

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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	559,835	-	559,835	6.8 %
British Pound Sterling	17,590	-	17,590	0.2 %
Chilean Peso	46,107	-	46,107	0.6 %
Chinese Renminbi	896,502	-	896,502	10.8 %
Columbian Peso	4,266	-	4,266	0.1 %
Euro	147,015	-	147,015	1.8 %
Hong Kong Dollar	1,132,957	(384)	1,132,573	13.7 %
Hungarian Forint	50,178	-	50,178	0.6 %
Indian Rupee	1,224,141	-	1,224,141	14.8 %
Indonesian Rupiah	257,468	335	257,803	3.1 %
Korean Won	782,003	-	782,003	9.4 %
Malaysian Ringgit	118,004	-	118,004	1.4 %
Mexican Peso	221,860	916	222,776	2.7 %
Peruvian Sol	11,221	-	11,221	0.1 %
Philippine Peso	147,390	-	147,390	1.8 %
Polish Zloty	80,718	-	80,718	1.0 %
Singapore Dollar	87,900	-	87,900	1.1 %
South African Rand	309,364	(307)	309,057	3.7 %
Taiwan Dollar	263,589	-	263,589	3.2 %
Thai Baht	310,136	1,302	311,438	3.8 %
Turkish Lira	143,896	-	143,896	1.7 %
United Arab Emirates Dirham	11,081	-	11,081	0.1 %
United States Dollar	1,473,064	(1,862)	1,471,202	17.8 %
Net Foreign Exchange Exposure	<u>\$ 8,296,285</u>	<u>\$ -</u>	<u>\$ 8,296,285</u>	<u>100.2 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	264,054	143	264,197	3.4 %
British Pound Sterling	25,075	-	25,075	0.3 %
Chilean Peso	14,154	-	14,154	0.2 %
Chinese Renminbi	946,117	-	946,117	12.3 %
Columbian Peso	4,903	-	4,903	0.1 %
Euro	57,007	-	57,007	0.7 %
Hong Kong Dollar	1,227,367	-	1,227,367	15.9 %
Hungarian Forint	34,879	-	34,879	0.5 %
Indian Rupee	1,345,409	-	1,345,409	17.4 %
Indonesian Rupiah	220,171	-	220,171	2.9 %
Korean Won	524,564	-	524,564	6.8 %
Malaysian Ringgit	133,594	-	133,594	1.7 %
Mexican Peso	154,247	(295)	153,952	2.0 %
Peruvian Sol	624	-	624	- %
Philippine Peso	123,265	-	123,265	1.6 %
Polish Zloty	49,570	-	49,570	0.6 %
Singapore Dollar	78,593	(2,782)	75,811	1.0 %
South African Rand	461,751	-	461,751	6.0 %
Taiwan Dollar	334,482	-	334,482	4.3 %
Thai Baht	225,914	-	225,914	2.9 %
Turkish Lira	137,390	-	137,390	1.8 %
United Arab Emirates Dirham	6,789	-	6,789	0.1 %
United States Dollar	1,262,409	-	1,262,409	16.3 %
Net Foreign Exchange Exposure	\$ 7,632,328	\$ (2,934)	\$ 7,629,394	98.8 %

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

As at December 31, 2016, 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 by \$82,963,000 (2015 - \$76,294,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 834,562	10.4 %	\$ 757,785	10.1 %
Consumer Staple	1,335,370	16.6 %	1,215,199	16.2 %
Energy	504,301	6.3 %	382,690	5.1 %
Financial Services	2,126,291	26.4 %	2,171,091	28.9 %
Health Care	273,160	3.4 %	392,285	5.2 %
Industrial Products	454,390	5.6 %	503,764	6.7 %
Information Technology	1,551,494	19.2 %	1,260,332	16.7 %
Materials and Processing	529,517	6.6 %	398,213	5.3 %
Telecommunication Services	251,667	3.1 %	301,172	4.0 %
Utilities	196,891	2.4 %	137,291	1.8 %
Total Equities	\$ 8,057,643	100.0 %	\$ 7,519,822	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$744,721,000 (2015 - \$679,827,000) or 9.0% (2015 – 8.8%) of net assets attributable to redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Australia	\$ -	- %	\$ 303	- %
Belgium	33,886	0.4 %	-	- %
Brazil	739,380	9.2 %	368,230	4.9 %
China	2,071,552	25.6 %	2,106,585	28.0 %
Hong Kong	161,275	2.0 %	152,690	2.0 %
India	1,398,099	17.4 %	1,552,201	20.6 %
Indonesia	257,895	3.2 %	220,171	2.9 %
Italy	39,130	0.5 %	30,535	0.4 %
Korea	780,765	9.7 %	538,907	7.2 %
Malaysia	107,515	1.3 %	133,421	1.8 %
Mexico	398,485	4.9 %	348,389	4.6 %
Netherlands	82,371	1.0 %	32,772	0.4 %
Philippines	146,393	1.8 %	123,015	1.6 %
Portugal	23,606	0.3 %	24,132	0.3 %
Russia	256,125	3.2 %	192,631	2.6 %
Singapore	62,422	0.8 %	56,202	0.7 %
Spain	6,958	0.1 %	-	- %
Taiwan	402,422	5.0 %	425,105	5.7 %
Thailand	335,559	4.2 %	244,427	3.3 %
United Kingdom	127,825	1.6 %	255,360	3.4 %
United States	27,969	0.3 %	207,515	2.8 %
South Africa	198,282	2.5 %	231,163	3.1 %
Chile	75,895	0.9 %	39,410	0.5 %
Colombia	4,192	0.1 %	4,873	0.1 %
Egypt	-	- %	7,854	0.1 %
Peru	28,865	0.4 %	2,092	- %
Turkey	143,689	1.8 %	137,390	1.8 %
Poland	80,718	1.0 %	49,570	0.7 %
Hungary	50,178	0.6 %	34,879	0.5 %
Argentina	5,111	0.1 %	-	- %
United Arab Emirates	11,081	0.1 %	-	- %
Total Equities	\$ 8,057,643	100.0 %	\$ 7,519,822	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 8,057,643	\$ -	\$ 8,057,643
Money Market Funds	2,167	-	2,167
Total Investments	\$ 8,059,810	\$ -	\$ 8,059,810
Foreign Currency Contracts, Net	-	(6)	(6)
Total	\$ 8,059,810	\$ (6)	\$ 8,059,804

	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 7,519,822	\$ -	\$ 7,519,822
Bonds	-	1,914	1,914
Money Market Funds	2,675	-	2,675
Total Investments	\$ 7,522,497	\$ 1,914	\$ 7,524,411
Foreign Currency Contracts, Net	-	8	8
Total	\$ 7,522,497	\$ 1,922	\$ 7,524,419

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

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 557,706	\$ 2,167

Entity	December 31, 2015		
	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	\$ 2,750,037	\$ 2,675

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 928	\$ 1,131
Receivable from sale of investments		-	196
Dividends receivable		3,133	2,355
Security lending revenue receivable		32	39
Derivative assets:			
Swaps		2,136	-
Investments		1,196,441	985,004
		<u>1,202,670</u>	<u>988,725</u>
Liabilities			
Payable for purchase of investments		-	556
bclMC funds management fees payable	4	107	66
Other accounts payable		49	217
Derivative liabilities:			
Swaps		1,521	-
		<u>1,677</u>	<u>839</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,200,993</u></u>	<u><u>\$ 987,886</u></u>
<i>Number of redeemable units outstanding</i>	5	958.324	845.437
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,253</u></u>	<u><u>\$ 1,168</u></u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ 1,483	\$ 1
Dividend income		29,059	31,526
Securities lending income		418	481
Foreign exchange gain		770	1,460
Change in fair value of investments and derivatives:	7		
Net realized gain (loss)		38,401	(2,649)
Net change in unrealized appreciation (depreciation)		23,348	(4,956)
Total revenue		<u>93,479</u>	<u>25,863</u>
Expenses:			
bclMC funds management fees	4	1,209	747
Administrative fees		803	932
Commissions and stock exchange fees		826	269
Withholding taxes	8	2,534	3,369
Total operating expenses		<u>5,372</u>	<u>5,317</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>88,107</u>	<u>20,546</u>
Distributions to holders of redeemable units:			
From net investment income		(26,125)	(26,063)
From net realized gains on investments and derivatives		(5,843)	-
		<u>(31,968)</u>	<u>(26,063)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 56,139</u></u>	<u><u>\$ (5,517)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 987,886	\$ 967,340
Increase (decrease) in net assets attributable to holders of redeemable units	56,139	(5,517)
Redeemable unit transactions:		
Proceeds from units issued	154,607	26,865
Reinvestment of distributions	31,968	26,063
Amounts paid for units redeemed	(29,607)	(26,865)
Net increase from redeemable unit transactions	156,968	26,063
Balance, end of year	\$ 1,200,993	\$ 987,886

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 56,139	\$ (5,517)
Adjustments for:		
Foreign exchange gain	(770)	(1,460)
Interest income	(1,483)	(1)
Dividend income	(29,059)	(31,526)
Withholding taxes	2,534	3,369
Net realized (gain) loss from investments and derivatives	(38,401)	2,649
Net change in unrealized (appreciation) depreciation from investments and derivatives	(23,348)	4,956
Non cash distributions	31,968	26,063
Proceeds from sale of investments	347,036	144,118
Amounts paid for purchase of investments	(497,339)	(172,058)
Receivable from sale of investments	196	(196)
Receivable from issue of units	-	3,400
Security lending revenue receivable	7	(16)
Payable for purchase of investments	(556)	43
Payable for redemption of units	-	(3,400)
bclMC funds management fees payable	41	22
Other accounts payable	(168)	15
Interest received	1,483	1
Dividends received	28,281	31,413
Withholding taxes paid	(2,534)	(3,369)
	<u>(125,973)</u>	<u>(1,494)</u>
Financing activities:		
Proceeds from issue of redeemable units	154,607	26,865
Payments on redemption of redeemable units	(29,607)	(26,865)
	<u>125,000</u>	<u>-</u>
Net decrease in cash	(973)	(1,494)
Effect of exchange rate changes on cash	770	1,460
Cash, beginning of year	1,131	1,165
Cash, end of year	\$ 928	\$ 1,131

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Schedule of Investments

as at December 31
(all amounts in thousands)

	2016		2015	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	\$ 1,014,126	\$ 918,638	\$ 984,835	\$ 912,537
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio Fund ST2	324	324	169	169
LIBOR Floating Rate Fund	<u>181,991</u>	<u>182,448</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 1,196,441</u>	<u>\$ 1,101,410</u>	<u>\$ 985,004</u>	<u>\$ 912,706</u>

Schedule of Foreign Currency Contracts

as at December 31
(all amounts reported in thousands of Canadian dollars)

<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Date</u>	<u>Currency Code</u>	<u>Amount Sold</u>	<u>Currency Code</u>	<u>Amount Bought</u>	<u>Unrealized Gain (Loss)</u>
2015	1	Jan 2016	USD	<u>\$ (995)</u>	HKD	<u>\$ 995</u>	<u>\$ -</u>

Schedule of Swaps

as at December 31
(all amounts reported in thousands of Canadian dollars)

<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Date</u>	<u>Description</u>	<u>Notional</u>	<u>Value</u>	<u>Unrealized Gain (Loss)</u>
2016	4	Feb 2017	Equity Index	\$	76,684	<u>\$ 2,136</u>
2016	1	Feb 2017	Equity Index	\$	86,050	<u>\$ (1,463)</u>
2016	1	Mar 2017	Equity Index	\$	20,652	<u>(58)</u>
						<u>\$ (1,521)</u>
						<u>\$ 615</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

The investment objective of the Indexed Emerging Markets Equity Fund (the Fund) is to provide clients with exposure to a portfolio of emerging market equity investments at a low fee. The objective of the Fund is to exceed the return of the Morgan Stanley Capital International (MSCI) Emerging Markets Net Index (the Index), the Fund's benchmark, by 30 basis points per annum, net of all investment expenses incurred. Investments in individual companies will be held in approximately the same proportion as their weighting in the Index, but bclMC shall have discretion in determining the appropriate timing of implementing Index changes.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of Index member companies,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- money market securities rated A-1(low) or better, and in units of the Canadian Money Market Fund ST1, Canadian Money Market Fund ST2 and/or U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds

The following restrictions apply to the Funds:

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

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

Credit Risk

The Fund invests in foreign currency contracts and swap contracts, which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk of the swap counterparty is also monitored through an evaluation of the counterparty's credit quality.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

DERIVATIVE LIABILITIES (in 000s)	2016			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (106,736)	\$ (106,736)	\$ -	\$ (106,736)
Inflows	105,215	105,215	-	105,215
	<u>\$ (1,521)</u>	<u>\$ (1,521)</u>	<u>\$ -</u>	<u>\$ (1,521)</u>

DERIVATIVE LIABILITIES (in 000s)	2015		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (177)	\$ (177)	\$ (177)
Inflows	177	177	177
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Interest Rate Risk

The majority 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.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

Currency Risk

At December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 92,507	-	\$ 92,507	7.7 %
Chilean Peso	14,326	-	14,326	1.2 %
Columbian Peso	5,510	-	5,510	0.5 %
Czech Koruna	1,799	-	1,799	0.1 %
Egyptian Pound	153	-	153	- %
Euro	4,425	-	4,425	0.4 %
Hong Kong Dollar	248,246	-	248,246	20.7 %
Hungarian Forint	3,709	-	3,709	0.3 %
Indian Rupee	99,719	-	99,719	8.3 %
Indonesian Rupiah	31,954	-	31,954	2.7 %
Korean Won	174,004	-	174,004	14.5 %
Malaysian Ringgit	30,690	-	30,690	2.6 %
Mexican Peso	42,508	-	42,508	3.5 %
Philippine Peso	14,598	-	14,598	1.2 %
Polish Zloty	13,653	-	13,653	1.1 %
Qatari Rial	10,628	-	10,628	0.9 %
South African Rand	84,576	-	84,576	7.0 %
Taiwan Dollar	146,809	-	146,809	12.2 %
Thai Baht	28,083	-	28,083	2.3 %
Turkish Lira	12,424	-	12,424	1.0 %
United Arab Emirates Dirham	9,289	-	9,289	- %
United States Dollar	131,216	-	131,216	10.9 %
Net Foreign Exchange Exposure	\$ 1,200,826	\$ -	\$ 1,200,826	100.0 %

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

CURRENCY (in 000s)	2015			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 54,174	-	\$ 54,174	5.5 %
Chilean Peso	11,449	-	11,449	1.2 %
Columbian Peso	3,945	-	3,945	0.4 %
Czech Koruna	1,852	-	1,852	0.2 %
Egyptian Pound	262	-	262	- %
Euro	4,185	-	4,185	0.4 %
Hong Kong Dollar	231,369	995	232,364	23.5 %
Hungarian Forint	2,498	-	2,498	0.3 %
Indian Rupee	86,983	-	86,983	8.8 %
Indonesian Rupiah	24,874	-	24,874	2.5 %
Korean Won	154,797	-	154,797	15.7 %
Malaysian Ringgit	32,005	-	32,005	3.2 %
Mexican Peso	43,990	-	43,990	4.5 %
Philippine Peso	14,613	-	14,613	1.5 %
Polish Zloty	12,492	-	12,492	1.3 %
Qatari Rial	10,101	-	10,101	1.0 %
South African Rand	68,388	-	68,388	6.9 %
Taiwan Dollar	115,377	-	115,377	11.7 %
Thai Baht	19,476	-	19,476	2.0 %
Turkish Lira	12,892	-	12,892	1.3 %
United Arab Emirates Dirham	8,213	-	8,213	0.8 %
United States Dollar	74,065	(995)	73,070	7.4 %
Net Foreign Exchange Exposure	\$ 988,000	\$ -	\$ 988,000	100.0 %

As at December 31, 2016, 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 by \$12,080,000 (2015 - \$9,880,000), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the 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

INDEXED EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 110,679	11.0 %	\$ 98,066	9.9 %
Consumer Staple	73,792	7.3 %	81,913	8.3 %
Energy	86,812	8.6 %	69,263	7.0 %
Financial Services	283,475	28.0 %	275,289	28.0 %
Health Care	26,496	2.6 %	29,171	3.0 %
Industrial Products	60,097	5.9 %	68,708	7.0 %
Information Technology	215,429	21.2 %	205,561	20.9 %
Materials and Processing	72,309	7.1 %	58,940	6.0 %
Telecommunication Services	57,231	5.6 %	67,036	6.8 %
Utilities	27,806	2.7 %	30,888	3.1 %
Total Equities	<u>\$ 1,014,126</u>	<u>100.0 %</u>	<u>\$ 984,835</u>	<u>100.0 %</u>

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$105,704,000 (2015 - \$98,529,000) or 8.8% (2015 - 10.0%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Brazil	\$ 91,638	9.0 %	\$ 53,521	5.4 %
Chile	14,269	1.4 %	11,449	1.2 %
China	316,128	31.2 %	261,461	26.5 %
Columbia	5,474	0.5 %	3,932	0.4 %
Czech Republic	79	- %	1,840	0.2 %
Egypt	1,534	0.2 %	1,736	0.2 %
Greece	4,412	0.4 %	4,742	0.5 %
Hungary	3,695	0.4 %	2,487	0.3 %
Hong Kong	336	- %	-	- %
India	99,652	9.8 %	86,957	8.9 %
Indonesia	4,996	0.5 %	24,875	2.5 %
Korea	171,843	17.0 %	152,879	15.5 %
Malaysia	3,110	0.3 %	31,829	3.2 %
Mexico	42,440	4.2 %	43,651	4.4 %
Peru	4,713	0.5 %	3,473	0.4 %
Philippines	14,574	1.4 %	14,588	1.5 %
Poland	13,628	1.3 %	12,481	1.3 %
Qatar	20,790	2.1 %	10,089	1.0 %
Russia	53,286	5.3 %	33,380	3.4 %
South Africa	84,557	8.3 %	68,355	6.9 %
Turkey	12,413	1.2 %	12,881	1.3 %
Taiwan	41,511	4.1 %	119,541	12.1 %
Thailand	5,386	0.5 %	19,462	2.0 %
United Arab Emirates	-	- %	8,201	0.8 %
United States	3,662	0.4 %	1,025	0.1 %
Total Equities	<u>\$ 1,014,126</u>	<u>100.0 %</u>	<u>\$ 984,835</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,014,126	\$ -	\$ 1,014,126
Money Market Funds	324	-	324
Floating Rate Funds	181,991	-	181,991
Total Investments	\$ 1,196,441	\$ -	\$ 1,196,441
Swaps	-	615	615
Total	\$ 1,196,441	\$ 615	\$ 1,197,056

	December 31, 2015		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 984,835	\$ -	\$ 984,835
Money Market Funds	169	-	169
Total Investments	\$ 985,004	\$ -	\$ 985,004

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

During 2016 and 2015, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2016 and 2015, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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 funds administered by bclMC	2	\$ 4,558,173	\$ 182,315

Entity	December 31, 2015		
	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 funds administered by bclMC	1	\$ 5,413,942	\$ 169

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
Assets			
Cash		\$ 18,359	\$ 32,375
Receivable from sale of investments		-	7,721
Dividends receivable		958	622
Security lending revenue receivable		75	33
Withholding taxes receivable		224	135
Receivable from reinvestment of distributions		-	326
Derivative assets:			
Foreign currency contracts		-	2
Investments		1,176,779	1,278,746
		<u>1,196,395</u>	<u>1,319,960</u>
Liabilities			
Payable for purchase of investments		109	15,572
External management fees payable		1,113	558
bclMC funds management fees payable	4	273	246
Other accounts payable		6	61
Distributions payable		-	326
Derivative liabilities:			
Foreign currency contracts		-	2
		<u>1,501</u>	<u>16,765</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,194,894</u>	<u>\$ 1,303,195</u>
<i>Number of redeemable units outstanding</i>	5	750.487	817.672
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,592</u>	<u>\$ 1,594</u>
<i>Contingent liability</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
Revenue:			
Interest income		\$ (1)	\$ 2
Dividend income		14,708	21,133
Securities lending income		722	820
Foreign exchange gain (loss)		(3,779)	3,239
Change in fair value of investments and derivatives:	7		
Net realized gain		29,511	221,384
Net change in unrealized depreciation		(45,721)	(63,786)
Total revenue (loss)		<u>(4,560)</u>	<u>182,792</u>
Expenses:			
bclMC funds management fees	4	3,037	1,963
External management fees		2,204	1,715
Administrative fees		146	243
Commissions and stock exchange fees		1,218	1,248
Withholding taxes	8	734	1,186
Total operating expenses		<u>7,339</u>	<u>6,355</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(11,899)</u>	<u>176,437</u>
Distributions to holders of redeemable units:			
From net investment income		(5,192)	(19,465)
From net realized gains on investments and derivatives		(24,570)	(225,478)
		<u>(29,762)</u>	<u>(244,943)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (41,661)</u>	<u>\$ (68,506)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 1,303,195	\$ 1,126,253
Decrease in net assets attributable to holders of redeemable units	(41,661)	(68,506)
Redeemable unit transactions:		
Proceeds from units issued	1,504	505
Reinvestment of distributions	29,762	244,943
Amounts paid for units redeemed	(97,906)	-
Net increase (decrease) from redeemable unit transactions	(66,640)	245,448
Balance, end of year	\$ 1,194,894	\$ 1,303,195

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (41,661)	\$ (68,506)
Adjustments for:		
Foreign exchange loss (gain)	3,779	(3,239)
Interest income	1	(2)
Dividend income	(14,708)	(21,133)
Withholding taxes	734	1,186
Net realized gain from investments and derivatives	(29,511)	(221,384)
Net change in unrealized depreciation from investments and derivatives	45,721	63,786
Non cash distributions	29,762	244,943
Proceeds from sale of investments	786,622	1,401,444
Amounts paid for purchase of investments	(700,865)	(1,406,666)
Receivable from sale of investments	7,721	(7,721)
Security lending revenue receivable	(42)	19
Payable for purchase of investments	(15,463)	14,467
External management fees payable	555	327
bcIMC funds management fees payable	27	169
Other accounts payable	(55)	32
Interest received	(1)	2
Dividends received	14,372	21,629
Withholding taxes paid	(823)	(1,321)
	<u>86,165</u>	<u>18,032</u>
Financing activities:		
Proceeds from issue of redeemable units	1,504	505
Payments on redemption of redeemable units	(97,906)	-
	<u>(96,402)</u>	<u>505</u>
Net increase (decrease) in cash	(10,237)	18,537
Effect of exchange rate changes on cash	(3,779)	3,239
Cash, beginning of year	32,375	10,599
Cash, end of year	\$ 18,359	\$ 32,375

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2016		2015	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,169,881	\$ 1,088,080	\$ 1,271,867	\$ 1,144,344
Direct Private Equity	6,500	6,500	6,500	6,500
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio				
Fund ST1	41	41	41	41
Fund ST2	357	356	338	338
	<u>398</u>	<u>397</u>	<u>379</u>	<u>379</u>
Total Investments	<u><u>\$ 1,176,779</u></u>	<u><u>\$ 1,094,977</u></u>	<u><u>\$ 1,278,746</u></u>	<u><u>\$ 1,151,223</u></u>

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2015	2	Jan 2016	GBP	\$ (265)	USD	\$ 267	\$ 2
2015	1	Jan 2016	USD	(34)	BRL	34	-
2015	2	Jan 2016	EUR	(154)	USD	154	-
2015	2	Jan 2016	HKD	(682)	USD	682	-
2015	1	Jan 2016	USD	(93)	KRW	93	-
				(1,228)		1,230	2
2015	1	Jan 2016	JPY	(984)	USD	983	(1)
2015	1	Jan 2016	USD	(67)	BRL	66	(1)
				(1,051)		1,049	(2)
				<u>\$ (2,279)</u>		<u>\$ 2,279</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

The investment objective of the Thematic Public Equity Fund (the Fund) is to enhance clients' long-term returns by taking tactical positions relative to a market capitalization benchmark, the Morgan Stanley Capital International (MSCI) World ex-Canada Net index (the Index). The Fund also has a secondary benchmark, the Canadian Consumer Price Index plus 350 basis points over 4 years. The Fund provides clients with a concentrated portfolio based on long-term economic, social and environmental themes, exposure to a variety of developed and emerging markets, and market exposure globally across geographical lines, industry sectors, and market capitalizations. The Fund's financial characteristics and performance will differ significantly from the Index. The Fund's performance objective is to exceed the Index return by 150 basis points per annum, net of all investment expenses incurred, over a four year moving average.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of countries included in the Morgan Stanley International All Country World Constituent Index,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1(Low) or better,
- units of bcIMC's Pooled Investment Portfolios Canadian Money Market Fund ST1, Canadian Money Market Fund ST2 and Canadian Money Market Fund ST3, and
- units in floating rate funds.

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

If any security or counterparty is downgraded below the approved credit standard, bcIMC has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize

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

sale proceeds.

Note 9 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund.

Liquidity Risk

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial liabilities as at December 31. The amounts are gross and undiscounted:

DERIVATIVE LIABILITIES (in 000s)	2016		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ -	\$ -	\$ -
Inflows	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DERIVATIVE LIABILITIES (in 000s)	2015		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (1,051)	\$ (1,051)	\$ (1,051)
Inflows	1,049	1,049	1,049
	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

Interest Rate Risk

The majority 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 December 31, 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.

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 262	\$ -	\$ 262	- %
British Pound Sterling	69,832	-	69,832	5.8 %
Danish Krone	31,415	-	31,415	2.6 %
Euro	151,614	-	151,614	12.7 %
Hong Kong Dollar	37,184	-	37,184	3.1 %
Indian Rupee	283	-	283	- %
Japanese Yen	107,870	-	107,870	9.0 %
Korean Won	10,157	-	10,157	0.9 %
Malaysian Ringgit	1,308	-	1,308	0.1 %
Norwegian Krone	12,400	-	12,400	1.0 %
Swiss Franc	1,415	-	1,415	0.1 %
Taiwan Dollar	44,628	-	44,628	3.7 %
Thai Baht	2,593	-	2,593	0.2 %
United States Dollar	715,474	-	715,474	59.9 %
Net Foreign Exchange Exposure	\$ 1,186,435	\$ -	\$ 1,186,435	99.3 %

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

CURRENCY (in 000s)	2015			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 74	\$ -	\$ 74	- %
Brazilian Real	13,803	100	13,903	1.1 %
British Pound Sterling	29,571	(266)	29,305	2.2 %
Danish Krone	31,369	-	31,369	2.4 %
Euro	120,710	(153)	120,557	9.3 %
Hong Kong Dollar	35,179	(682)	34,497	2.6 %
Indian Rupee	12,628	-	12,628	1.0 %
Japanese Yen	81,981	(984)	80,997	6.2 %
Korean Won	650	93	743	0.1 %
Malaysian Ringgit	465	-	465	- %
New Zealand Dollar	2	-	2	- %
Norwegian Krone	12,028	-	12,028	0.9 %
South African Rand	2	-	2	- %
Swiss Franc	18,509	-	18,509	1.4 %
Taiwan Dollar	36,320	-	36,320	2.8 %
Thai Baht	2,424	-	2,424	0.2 %
United States Dollar	894,743	1,892	896,635	68.8 %
Net Foreign Exchange Exposure	\$ 1,290,458	\$ -	\$ 1,290,458	99.0 %

As at December 31, 2016, 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 by \$118,643,000 (2015 - \$129,046,000), representing 9.9% of the Fund's net assets (2015 - 9.9%). In practice, the 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

THEMATIC PUBLIC EQUITY FUND

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on counterparties and industries and geographic location. The Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Public Equities				
Consumer Discretionary	\$ 145,570	12.4 %	\$ 75,332	5.9 %
Consumer Staple	86,506	7.4 %	77,181	6.0 %
Financial Services	-	- %	91,628	7.2 %
Health Care	192,610	16.4 %	292,399	22.9 %
Industrial Products	224,178	19.1 %	227,901	17.8 %
Information Technology	420,249	35.5 %	368,735	28.9 %
Materials and Processing	48,214	4.1 %	88,450	6.9 %
Utilities	52,554	4.5 %	50,241	3.9 %
Total Public Equities	1,169,881	99.4 %	1,271,867	99.5 %
Direct Private Equity Investment	6,500	0.6 %	6,500	0.5
Total Equities	\$ 1,176,381	100.0 %	\$ 1,278,367	100.0 %

As at December 31, 2016 and 2015, had the respective benchmark of the Fund 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 \$114,149,000 (2015 - \$122,847,000) or 9.6% (2015 – 9.4%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2016 and 2015, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

The Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Public Equities				
Belgium	\$ 2,689	0.2 %	\$ 10,517	0.8 %
Brazil	262	- %	13,585	1.1 %
China	46,354	3.9 %	35,552	2.8 %
Denmark	31,078	2.6 %	31,269	2.4 %
Finland	-	- %	11,858	0.9 %
France	49,708	4.2 %	40,490	3.2 %
Germany	51,055	4.3 %	29,467	2.3 %
Hong Kong	637	0.1 %	696	0.1 %
India	283	- %	12,342	1.0 %
Ireland	882	0.1 %	1,330	0.1 %
Israel	464	- %	1,152	0.1 %
Italy	10,098	0.9 %	6,371	0.5 %
Japan	107,317	9.1 %	103,493	8.1 %
Korea	10,148	0.9 %	1,049	0.1 %
Malaysia	1,297	0.1 %	1,008	0.1 %
Netherlands	-	- %	6,671	0.5 %
Norway	12,129	1.0 %	12,028	0.9 %
Portugal	-	- %	6,977	0.5 %
Singapore	-	- %	7,292	0.6 %
Spain	37,895	3.2 %	-	- %
Switzerland	1,383	0.1 %	18,509	1.4 %
Taiwan	45,734	3.9 %	36,486	2.9 %
Thailand	2,593	0.2 %	2,818	0.2 %
United Kingdom	69,379	5.9 %	41,479	3.2 %
United States	688,496	58.7 %	833,183	65.2 %
Canada	-	- %	6,245	0.5 %
Total Public Equities	1,169,881	99.4 %	1,271,867	99.5 %
Direct Private Equity Investment	6,500	0.6 %	6,500	0.5 %
Total Equities	\$ 1,176,381	100.0 %	\$ 1,278,367	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

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 table below analyses 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 noted in the tables below are recurring.

	December 31, 2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Public Equities	\$ 1,169,881	\$ -	\$ -	\$ 1,169,881
Direct Private Equity Investment	-	-	6,500	6,500
Money Market Funds	398	-	-	398
Total Investments	\$ 1,170,279	\$ -	\$ 6,500	\$ 1,176,779

	December 31, 2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Public Equities	\$ 1,271,867	\$ -	\$ -	\$ 1,271,867
Direct Private Equity Investment	-	-	6,500	6,500
Money Market Funds	379	-	-	379
Total Investments	\$ 1,272,246	\$ -	\$ 6,500	\$ 1,278,746

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

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

During 2016 and 2015, there were no significant transfers between the three levels in the 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.

	2016 (in 000s)	2015 (in 000s)
Opening Balance as at January 1	\$ 6,500	\$ -
Total gains or losses recognized in profit or loss	-	-
Purchases	-	6,500
Sales	-	-
Closing Balance at December 31	\$ 6,500	\$ 6,500
Total unrealized gains or losses for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

**Fair Value Measurement Discussion
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 the direct private equity investment categorized as Level 3 in the fair value hierarchy as at December 31:

2016					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 6,500	Market approach	EV/EBITDA	6,500	The estimated fair value would increase (decrease) if the EV/EBITDA multiples were higher (lower).
2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 6,500	Market approach	EV/EBITDA	6,500	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

The direct private equity investment is valued based on information received from the management of the investee.

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 the direct private equity investment was calculated by adjusting the investment's fair market value by 10%.

(in 000s)	2016	2015
Favourable	\$ 650	\$ 650
Unfavourable	\$ (650)	\$ (650)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee 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 issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2015 and 2014, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2016		
	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	\$ 3,586,014	\$ 398

Entity	December 31, 2015		
	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	\$ 8,163,979	\$ 379

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 31, 2016

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 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 (the Regulations), 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
Canadian Money Market Fund ST1	April 21, 1986		Active U.S. Equity Fund	October 20, 1993
Canadian Money Market Fund ST2	September 19, 1986		Active U.S. Small Cap Equity Fund	March 13, 2008
U.S. Dollar Money Market Fund ST3	August 1, 1990		Indexed U.S. Equity Fund	February 6, 1995
LIBOR Floating Rate Fund	February 26, 2016		Active Asian Equity Fund	January 2, 1998
Short Term Bond Fund	November 1, 1995		Indexed Asian Equity Fund	October 18, 2010
Canadian Universe Bond Fund	April 20, 2006		Active European Equity Fund	January 2, 1998
Canadian Real Return Bond Fund	April 9, 2010		Indexed European Equity Fund	January 1, 2004
High Yield Bond Fund	January 8, 2016		Active Global Equity Fund	June 19, 2009
Global Government Bond Fund	October 30, 2009		Enhanced Indexed Global Equity Fund	August 23, 2011
Fixed Term Mortgage Fund	June 30, 1995		Indexed Global Equity Fund	December 7, 2011
Construction Mortgage Fund	December 1, 1995		Indexed Global ESG Equity Fund	January 17, 2013
Active Canadian Equity Fund	July 26, 1990		Active Emerging Markets Equity Fund	March 31, 2008
Active Canadian Small Cap Equity Fund	March 20, 2008		Indexed Emerging Markets Equity Fund	July 31, 2013
Enhanced Indexed Canadian Equity Fund	November 27, 2002		Thematic Public Equity Fund	December 31, 2012
Indexed Canadian Equity Fund	December 12, 1989			

The LIBOR Floating Rate Fund and High Yield Bond Fund were established in 2016, therefore no comparative balances have been presented in the respective financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2016

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"). The financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on April 5, 2017.

(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, except for the U.S. Dollar Money Market Fund ST3 and LIBOR Floating Rate Fund, each of which is presented in U.S. dollars and whose functional currency is U.S. dollars.

(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. 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.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2016

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, designated at 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 intends 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) are 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, bclMC 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 also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others 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 bclMC, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2016

3. Significant accounting policies (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 Regulations, 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 (\$U.S. 1 million for the U.S. Dollar Money Market Fund ST3 and the LIBOR Floating Rate Fund). 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. All of the Funds were open-ended Funds throughout the year where the number of units available for issue was unlimited and the proportion of units issued or redeemed by each client on a particular valuation date depended on changes to their desired asset allocation.

(d) Foreign exchange

The financial statements of the Funds are denominated in Canadian dollars except for the U.S. Dollar Money Market Fund ST3 and the LIBOR Floating Rate Fund. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars (U.S. dollars for the U.S. Dollar Money Market Fund ST3 and the LIBOR Floating Rate Fund) 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
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3. Significant accounting policies (continued)

(e) Revenue 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 on 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) Securities lending

Securities lending contracts are entered into for the temporary delivery of securities to a borrower in exchange for different securities having a higher market value (collateral), with an obligation for the borrower to redeliver the same quantity of the original securities lent at a future date. The lender receives a fee from the borrower, and retains the rights to receive equivalent interest payments or dividends from the loaned securities. The Funds continue to recognize the securities in their entirety in the statement of financial position as the Funds retain all of the risks and rewards of ownership. Securities lending income is recognized over the term of the arrangement. The credit risk related to securities lending transactions is limited by the fact that the value of securities held as collateral by the Funds is at least 105% of the market value of the securities loaned.

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3. Significant accounting policies (continued)

(g) Income taxes

The Funds qualify as inter-vivos trusts under section 108(1) of the Income Tax Act (Canada). All of the Funds' 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 Funds. 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.

(h) 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, 2016, 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 statements and its requirements and represent 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 February 2014, the IASB tentatively decided to require an entity to apply IFRS 9 for annual periods beginning on or after January 1, 2018, but early adoption is permitted. Management is currently in the process of evaluating the potential effect of this standard.

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 by bcIMC charging management fees, which are calculated on a cost recovery basis. bcIMC funds management fees and the corresponding payable is disclosed in each Fund's statement of comprehensive income and statement of financial position, respectively.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 31, 2016

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. bclMC 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 period ended:

	CANADIAN MONEY MARKET FUND ST1		CANADIAN MONEY MARKET FUND ST2		U.S. DOLLAR MONEY MARKET FUND ST3		LIBOR FLOATING RATE FUND
	2016	2015	2016	2015	2016	2015	2016
Outstanding, beginning of year	733.327	1,067.678	1,358.113	1,122.340	61.367	84.235	(note 1) -
Issued for cash	6,757.579	10,361.715	3,154.996	2,857.951	732.157	507.000	1,139.743
Issued on reinvestment of distributions	2.157	5.839	8.207	10.316	0.023	-	5.150
Consolidation of units	(2.157)	(5.839)	(8.207)	(10.316)	(0.023)	-	(5.150)
Redeemed	(7,342.934)	(10,696.066)	(3,759.206)	(2,622.178)	(715.696)	(529.868)	(7.489)
Outstanding, end of year	147.972	733.327	753.903	1,358.113	77.828	61.367	1,132.254

	SHORT TERM BOND FUND		CANADIAN UNIVERSE BOND FUND		CANADIAN REAL RETURN BOND FUND		HIGH YIELD BOND FUND
	2016	2015	2016	2015	2016	2015	2016
Outstanding, beginning of year	630.906	710.596	7,659.537	8,036.607	2,532.376	2,751.307	(note 1) -
Issued for cash	955.454	168.255	326.973	559.578	-	-	1,079.276
Issued on reinvestment of distributions	11.006	11.833	349.590	278.600	83.577	120.054	73.149
Consolidation of units	(11.006)	(11.833)	(349.590)	(278.600)	(83.577)	(120.054)	(73.149)
Redeemed	(259.636)	(247.945)	(637.816)	(936.648)	(283.558)	(218.931)	(259.651)
Outstanding, end of year	1,326.724	630.906	7,348.694	7,659.537	2,248.818	2,532.376	819.625

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
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5. Redeemable units (continued)

	GLOBAL GOVERNMENT BOND FUND		FIXED TERM MORTGAGE FUND		CONSTRUCTION MORTGAGE FUND	
	2016	2015	2016	2015	2016	2015
Outstanding, beginning of year	574.555	574.555	411.475	461.335	247.140	196.460
Issued for cash	-	-	74.378	16.573	87.961	69.809
Issued on reinvestment of distributions	39.095	8.331	16.151	20.586	7.700	2.544
Consolidation of units	(39.095)	(8.331)	(16.151)	(20.586)	(7.700)	(2.544)
Redeemed	-	-	(92.346)	(66.433)	(60.575)	(19.129)
Outstanding, end of year	574.555	574.555	393.507	411.475	274.526	247.140

	ACTIVE CANADIAN EQUITY FUND		ACTIVE CANADIAN SMALL CAP EQUITY FUND		ENHANCED INDEXED CANADIAN EQUITY FUND	
	2016	2015	2016	2015	2016	2015
Outstanding, beginning of year	305.552	231.636	293.395	385.557	1,123.225	1,613.648
Issued for cash	46.131	75.348	30.900	29.243	2.036	0.817
Issued on reinvestment of distributions	9.739	11.750	14.316	15.512	52.135	177.387
Consolidation of units	(9.739)	(11.750)	(14.316)	(15.512)	(52.135)	(177.387)
Redeemed	(2.208)	(1.432)	(3.764)	(121.405)	(310.875)	(491.240)
Outstanding, end of year	349.475	305.552	320.531	293.395	814.386	1,123.225

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
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5. Redeemable units (continued)

	INDEXED CANADIAN EQUITY FUND		ACTIVE US EQUITY FUND		ACTIVE U.S. SMALL CAP EQUITY FUND	
	2016	2015	2016	2015	2016	2015
Outstanding, beginning of year	1,071.829	903.591	224.762	249.264	445.925	455.129
Issued for cash	332.415	210.515	-	7.014	50.012	8.238
Issued on reinvestment of distributions	38.388	25.191	54.452	35.326	29.109	75.136
Consolidation of units	(38.388)	(25.191)	(54.452)	(35.326)	(29.109)	(75.136)
Redeemed	(107.599)	(42.277)	(223.683)	(31.516)	-	(17.442)
Outstanding, end of year	<u>1,296.645</u>	<u>1,071.829</u>	<u>1.079</u>	<u>224.762</u>	<u>495.937</u>	<u>445.925</u>

	INDEXED U.S. EQUITY FUND		ACTIVE ASIAN EQUITY FUND		INDEXED ASIAN EQUITY FUND	
	2016	2015	2016	2015	2016	2015
Outstanding, beginning of year	997.539	719.482	1,467.466	1,466.150	1,434.509	1,445.061
Issued for cash	211.055	410.506	16.155	32.198	109.961	63.725
Issued on reinvestment of distributions	105.982	79.625	79.301	79.211	117.733	51.495
Consolidation of units	(105.982)	(79.625)	(79.301)	(79.211)	(117.733)	(51.495)
Redeemed	(245.158)	(132.449)	(14.486)	(30.882)	(453.040)	(74.277)
Outstanding, end of year	<u>963.436</u>	<u>997.539</u>	<u>1,469.135</u>	<u>1,467.466</u>	<u>1,091.430</u>	<u>1,434.509</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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5. Redeemable units (continued)

	ACTIVE EUROPEAN EQUITY FUND		INDEXED EUROPEAN EQUITY FUND		ACTIVE GLOBAL EQUITY FUND	
	2016	2015	2016	2015	2016	2015
Outstanding, beginning of year	1,668.633	1,593.029	1,232.377	1,451.642	1,633.954	1,632.518
Issued for cash	5.105	282.110	31.980	325.150	1.662	62.579
Issued on reinvestment of distributions	42.833	35.093	138.691	110.403	81.356	169.634
Consolidation of units	(42.833)	(35.093)	(138.691)	(110.403)	(81.356)	(169.634)
Redeemed	(322.957)	(206.506)	(757.459)	(544.415)	-	(61.143)
Outstanding, end of year	<u>1,350.781</u>	<u>1,668.633</u>	<u>506.898</u>	<u>1,232.377</u>	<u>1,635.616</u>	<u>1,633.954</u>

	ENHANCED INDEXED GLOBAL EQUITY FUND		INDEXED GLOBAL EQUITY FUND		INDEXED GLOBAL ESG EQUITY FUND	
	2016	2015	2016	2015	2016	2015
Outstanding, beginning of year	1,183.165	1,183.165	967.914	1,048.903	1,858.167	801.990
Issued for cash	-	9.323	722.374	63.519	-	1,056.177
Issued on reinvestment of distributions	66.261	150.854	57.249	74.283	89.158	74.203
Consolidation of units	(66.261)	(150.854)	(57.249)	(74.283)	(89.158)	(74.203)
Redeemed	-	(9.323)	(99.849)	(144.508)	-	-
Outstanding, end of year	<u>1,183.165</u>	<u>1,183.165</u>	<u>1,590.439</u>	<u>967.914</u>	<u>1,858.167</u>	<u>1,858.167</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
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5. Redeemable units (continued)

	ACTIVE EMERGING MARKETS EQUITY FUND		INDEXED EMERGING MARKETS EQUITY FUND		THEMATIC PUBLIC EQUITY FUND	
	2016	2015	2016	2015	2016	2015
Outstanding, beginning of year	5,906.766	6,129.617	845.437	845.437	817.672	817.340
Issued for cash	375.876	274.237	136.497	20.921	0.991	0.332
Issued on reinvestment of distributions	132.384	248.324	26.616	21.202	18.912	153.774
Consolidation of units	(132.384)	(248.324)	(26.616)	(21.202)	(18.912)	(153.774)
Redeemed	-	(497.088)	(23.610)	(20.921)	(68.176)	-
Outstanding, end of year	<u>6,282.642</u>	<u>5,906.766</u>	<u>958.324</u>	<u>845.437</u>	<u>750.487</u>	<u>817.672</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. The Government of Canada has contested bcIMC's immunity from the imposition of goods and services tax or harmonized sales tax ("HST/GST"), in respect of costs recovered by bcIMC from assets it holds in pooled investment portfolios. In November 2015 the Minister of National Revenue issued HST/GST re-assessments for the period July 1, 2010 to March 31, 2013. bcIMC has filed a Notice of Objection to this re-assessment. In September 2016, the BC Supreme Court issued a ruling on a petition filed by bcIMC, holding that the pools were entitled to Crown immunity and therefore immune from HST/GST with respect to costs recovered by bcIMC, but also that bcIMC was bound by the provisions of the Reciprocal Tax Agreement and the Comprehensive Integrated Tax Coordination Agreement (jointly "Agreements") entered into between the Province of British Columbia and Canada. The decision has been appealed by the federal government with respect to crown immunity and cross appealed by bcIMC with respect to whether bcIMC is bound by the Agreements. Management is of the opinion that the Court will not deny bcIMC the ability to rely on its statutory crown immunity and that, as a consequence, ultimately no net HST/GST liability will arise. Consequently, management has not accrued any liability for such tax. However, if the Court determines that HST/GST applies to bcIMC in respect of costs recovered by it from assets held in Pooled Investment Portfolios, management estimates the maximum cumulative HST/GST owing at:

Maximum Cumulative GST Owing	Name of Fund
Less than 5 basis points	Canadian Money Market Fund ST2, U.S. Dollar Money Market Fund ST3, LIBOR Floating Rate Fund, Short Term Bond Fund, Canadian Universe Bond Fund, Canadian Real Return Bond Fund, High Yield Bond Fund, Indexed Canadian Equity Fund, Indexed Asian Equity Fund, Enhanced Indexed Global Equity Fund, Indexed Global Equity Fund, Indexed Global ESG Equity Fund, Indexed Emerging Markets Equity Fund, and Thematic Public Equity Fund
Between 5 and 10 basis point	Global Government Bond Fund, Fixed Term Mortgage Fund, Construction Mortgage Fund, Active Canadian Equity Fund, Indexed U.S. Equity Fund ¹ , and Indexed European Equity Fund
Between 10 and 15 basis points	Canadian Money Market Fund ST1, and Enhanced Indexed Canadian Equity Fund
Between 15 and 32 basis points	Active Canadian Small Cap Equity Fund, Active U.S. Small Cap Equity Fund, Active Asian Equity Fund, Active European Equity Fund, Active Global Equity Fund, and Active Emerging Markets Equity Fund

¹The investments of the Active U.S. Equity Fund were transferred to the Indexed U.S. Equity Fund in 2016. As a result, the estimated maximum cumulative HST/GST owing for the Indexed U.S. Equity Fund includes the maximum cumulative estimate for the Active U.S. Equity Fund.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
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7. Net gain (loss) from financial instruments at fair value through profit or loss

Pooled Investment Portfolios (in \$000s)	2016					
	Net Gain (Loss) from Financial instruments Held for Trading – Derivative Financial Instruments	Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss – Investments	Total Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss	Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss		
				Realized	Unrealized	Total
Canadian Money Market Fund ST1	-	24	24	7	17	24
Canadian Money Market Fund ST2	-	897	897	522	375	897
U.S. Dollar Money Market Fund ST3	-	1	1	1	-	1
LIBOR Floating Rate Fund	-	1,254	1,254	190	1,064	1,254
Short Term Bond Fund	-	(23,170)	(23,170)	5,174	(28,344)	(23,170)
Canadian Universe Bond Fund	-	(10,642)	(10,642)	322,587	(333,229)	(10,642)
Canadian Real Return Bond Fund	-	(2,687)	(2,687)	31,954	(34,641)	(2,687)
Global Government Bond Fund	(6,680)	21,794	15,114	32,333	(17,219)	15,114
High Yield Bond Fund	(1,129)	72,996	71,867	37,194	34,673	71,867
Fixed Term Mortgage Fund	-	(25,580)	(25,580)	18	(25,598)	(25,580)
Construction Mortgage Fund	-	43,807	43,807	29,734	14,073	43,807
Active Canadian Equity Fund	-	480,251	480,251	19,961	460,290	480,251
Active Canadian Small Cap Equity Fund	-	64,423	64,423	20,887	43,536	64,423
Enhanced Indexed Canadian Equity Fund	11	436,129	436,140	135,285	300,855	436,140
Indexed Canadian Equity Fund	-	1,351,992	1,351,992	5,213	1,346,779	1,351,992
Active U.S. Equity Fund	4,609	(90,656)	(86,047)	484,560	(570,607)	(86,047)
Active U.S. Small Cap Equity Fund	(79)	230,060	229,981	90,136	139,845	229,981
Indexed U.S. Equity Fund	38,738	396,453	435,191	673,215	(238,024)	435,191
Active Asian Equity Fund	(736)	73,402	72,666	165,213	(92,547)	72,666
Indexed Asian Equity Fund	(484)	(75,026)	(75,510)	141,833	(217,343)	(75,510)
Active European Equity Fund	300	(196,549)	(196,249)	161,822	(358,071)	(196,249)
Indexed European Equity Fund	(569)	(231,730)	(232,299)	199,958	(432,257)	(232,299)
Active Global Equity Fund	(240)	(127,783)	(128,023)	109,186	(237,209)	(128,023)
Enhanced Indexed Global Equity Fund	(284)	5,621	5,337	104,144	(98,807)	5,337
Indexed Global Equity Fund	891	121,243	122,134	63,337	58,797	122,134
Indexed Global ESG Equity Fund	431	39,163	39,594	72,267	(32,673)	39,594
Active Emerging Markets Equity Fund	(6,536)	(14,264)	(20,800)	73,682	(94,482)	(20,800)
Indexed Emerging Markets Equity Fund	18,592	43,157	61,749	38,401	23,348	61,749
Thematic Public Equity Fund	1,616	(17,826)	(16,210)	29,511	(45,721)	(16,210)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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7. Net gain (loss) from financial instruments at fair value through profit or loss (continued)

Pooled Investment Portfolios (in \$000s)	2015					
	Net Gain (Loss) from Financial instruments Held for Trading – Derivative Financial Instruments	Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss – Investments	Total Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss	Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss		
				Realized	Unrealized	Total
Canadian Money Market Fund ST1	-	160	160	84	76	160
Canadian Money Market Fund ST2	-	4,076	4,076	1,418	2,658	4,076
U.S. Dollar Money Market Fund ST3	-	(2)	(2)	(2)	-	(2)
Short Term Bond Fund	-	21,814	21,814	15,120	6,694	21,814
Canadian Universe Bond Fund	-	102,911	102,911	284,834	(181,923)	102,911
Canadian Real Return Bond Fund	-	49,904	49,904	94,094	(44,190)	49,904
Global Government Bond Fund	(51,509)	53,142	1,633	(8,419)	10,052	1,633
Fixed Term Mortgage Fund	-	(24,832)	(24,832)	13	(24,845)	(24,832)
Construction Mortgage Fund	-	32,801	32,801	10,150	22,651	32,801
Active Canadian Equity Fund	4	(137,027)	(137,023)	53,117	(190,140)	(137,023)
Active Canadian Small Cap Equity Fund	-	12,942	12,942	19,535	(6,593)	12,942
Enhanced Indexed Canadian Equity Fund	(25)	(368,235)	(368,260)	356,944	(725,204)	(368,260)
Indexed Canadian Equity Fund	108	(801,064)	(800,956)	(22,888)	(778,068)	(800,956)
Active U.S. Equity Fund	(667)	374,290	373,623	287,888	85,735	373,623
Active U.S. Small Cap Equity Fund	74	152,257	152,331	192,354	(40,023)	152,331
Indexed U.S. Equity Fund	41	888,435	888,476	568,728	319,748	888,476
Active Asian Equity Fund	(834)	308,772	307,938	121,055	186,883	307,938
Indexed Asian Equity Fund	283	393,121	393,404	14,977	378,427	393,404
Active European Equity Fund	697	518,210	518,907	124,383	394,524	518,907
Indexed European Equity Fund	(2,819)	321,595	318,776	144,148	174,628	318,776
Active Global Equity Fund	1,207	605,160	606,367	312,555	293,812	606,367
Enhanced Indexed Global Equity Fund	123	416,320	416,443	275,818	140,625	416,443
Indexed Global Equity Fund	(650)	318,995	318,345	100,344	218,001	318,345
Indexed Global ESG Equity Fund	34,201	407,668	441,869	87,619	354,250	441,869
Active Emerging Markets Equity Fund	(6,245)	564,384	558,139	383,294	174,845	558,139
Indexed Emerging Markets Equity Fund	24	(7,629)	(7,605)	(2,649)	(4,956)	(7,605)
Thematic Public Equity Fund	1,032	156,566	157,598	221,384	(63,786)	157,598

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8. Withholding tax expense

Certain dividend income received by the Funds is subject to withholding tax imposed in the country of origin. During the period, the weighted average withholding tax rate for each of the Funds that paid withholding tax was as follows:

Pooled Investment Portfolios	2016	2015
Active U.S. Equity Fund	- %	- %
Indexed U.S. Equity Fund	- %	- %
Active Asian Equity Fund	6.95 %	5.19 %
Indexed Asian Equity Fund	8.18 %	6.27 %
Active European Equity Fund	13.75 %	11.61 %
Indexed European Equity Fund	10.50 %	11.67 %
Active Global Equity Fund	5.30 %	6.25 %

Pooled Investment Portfolios	2016	2015
Enhanced Indexed Global Equity Fund	4.92 %	4.25 %
Indexed Global Equity Fund	4.80 %	4.23 %
Indexed Global ESG Equity Fund	3.98 %	4.82 %
Active Emerging Markets Equity Fund	8.44 %	8.48 %
Indexed Emerging Markets Equity Fund	8.72 %	10.69 %
Thematic Public Equity Fund	4.99 %	7.03 %
	- %	- %

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. In the normal course of business, each Fund is exposed to financial risks including credit risk, liquidity risk, and market risk (including interest rate risk, currency risk and other price risk). The level of risk varies depending on the investment objective of the Fund and the 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 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.

bclMC management monitors credit risk through an internal credit manager program detailing the credit rating of all credit-sensitive financial securities held in money market and bond pooled funds. Credit risk monitoring entails an evaluation of the credit quality of each issuer and counterparty that transacts with the Funds. To perform this evaluation, bclMC management relies on ratings from three recognized credit rating agencies for very short term exposure to counterparties such as brokers. For direct holdings of issuer debt in the long and short term Funds, bclMC conducts its own independent credit reviews. Credit reviews are monitored on a quarterly basis through an established credit committee.

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. bclMC 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. bclMC'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 bclMC Money Market Funds are expected to be highly liquid. bclMC 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, 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. Money market funds invest in short-term investments and have very low 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. bcIMC management monitors active price risk on a monthly basis. Tracking error and beta statistics for all equity Funds are compiled to review that the level of risk is consistent with each Fund's objective.

See additional discussion of other price risk in the Financial Risk Management Discussion following each Fund's financial statements.

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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.

(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 exists 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.

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10. Fair value of financial instruments (continued)

(c) Valuation framework

When third party information, such as broker quotes or pricing services, is used to measure fair value, then management assesses and documents the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS. 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 (loss), 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.

11. Income taxes

Net cumulative capital losses and non-capital losses for each Fund having such losses are as follows:

Pooled Investment Portfolios (in \$000s)	As of December 31, 2016	
	Net Capital Losses	Non-capital Losses
U.S. Dollar Money Market Fund ST3	-	4,015
Active European Equity Fund	243,602	-

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 non-capital losses of the U.S. Dollar Money Market Fund ST3 expire in 2036.

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12. Securities subject to lending arrangements

The fair value of securities on loan at December 31 and percentage of securities on loan for the Funds was as follows:

Pooled Investment Portfolios	Fair Value of Securities on Loan (in \$000s)		Percentage of securities on loan	
	2016	2015	2016	2015
Canadian Money Market Fund ST2	205	234,000	- %	4.3 %
Short Term Bond Fund	357,167	434,000	10.3	26.7
Canadian Universe Bond Fund	587,809	1,766,000	4.6	13.6
High Yield Bond Fund	161,467	-	25.8	-
Global Government Bond Fund	155,631	98,000	23.6	14.4
Active Canadian Equity Fund	333,250	168,000	8.7	5.8
Active Canadian Small Cap Equity Fund	62,383	39,000	10.3	8.0
Enhanced Indexed Canadian Equity Fund	333,412	223,000	11.5	6.6
Indexed Canadian Equity Fund	1,059,253	963,000	10.9	14.5
Active U.S. Equity Fund	-	285,000	-	13.8
Active U.S. Small Cap Equity Fund	256,605	234,000	16.8	20.4
Indexed U.S. Equity Fund	693,586	409,000	7.6	3.5
Active Asian Equity Fund	255,200	157,000	5.9	3.8
Indexed Asian Equity Fund	99,191	199,000	5.3	8.2
Active European Equity Fund	199,398	317,000	7.3	9.1
Indexed European Equity Fund	63,771	137,000	6.4	5.4
Active Global Equity Fund	314,065	173,000	9.4	5.1
Enhanced Indexed Global Equity Fund	321,942	120,000	11.4	4.4
Indexed Global Equity Fund	116,488	101,000	5.4	4.9
Indexed Global ESG Equity Fund	355,511	204,000	10.2	6.1
Active Emerging Markets Equity Fund	299,624	148,000	3.7	2.0
Indexed Emerging Markets Equity Fund	33,480	31,000	3.3	3.1
Thematic Public Equity Fund	145,403	176,000	12.4	13.8

13. Subsequent events

Active U.S. Equity Fund

On February 22, 2017 the remaining units of the Active U.S. Equity Fund were redeemed, and the remaining net assets were transferred to unitholders as follows:

Date of Transfer	Fair Market Value (\$000s)	Units Redeemed
February 22, 2017	8,980	1.079



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