

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

# Illiquid Pooled Fund Financial Statements

DECEMBER 2016



INVESTING RESPONSIBLY FOR RESULTS



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

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Mezzanine Mortgage Fund  
US Mortgage Opportunity Fund  
Private Placement Fund 1996  
Private Placement Fund 1997  
Private Placement Fund 1998  
Private Placement Fund 1999  
Private Placement Fund 1999A  
2000 Private Placement Fund  
2001 Private Placement Fund  
2002 Private Placement Fund  
2003 Private Placement Fund  
2004 Private Placement Fund  
2005 Private Placement Fund  
2006 Private Placement Fund  
2007 Private Placement Fund  
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2009 Private Placement Fund  
2010 Private Placement Fund  
2011 Private Placement Fund  
2012 Private Placement Fund  
2013 Private Placement Fund  
2014 Private Placement Fund  
2015 Private Placement Fund  
2016 Private Placement Fund  
Strategic Inv 100 Foreign PP Fund  
Strategic Infrastructure Investment Fund 2 (Foreign)  
Renewable Resources Investment Fund  
2016 Renewable Resources Fund (formerly 2015A  
Private Placement Fund)  
Renewable Resources Investment 2 Fund  
IT Investment Trust

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR OR PERIOD ENDED DECEMBER 31, 2016**

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**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 year (or period) ended December 31, 2016:

Mezzanine Mortgage Fund	2001 Private Placement Fund	2009 Private Placement Fund	Strategic Inv 100 Foreign PP Fund
US Mortgage Opportunity Fund	2002 Private Placement Fund	2010 Private Placement Fund	Strategic Infrastructure Investment
Private Placement Fund 1996	2003 Private Placement Fund	2011 Private Placement Fund	Fund 2 (Foreign)
Private Placement Fund 1997	2004 Private Placement Fund	2012 Private Placement Fund	Renewable Resources Investment Fund
Private Placement Fund 1998	2005 Private Placement Fund	2013 Private Placement Fund	2016 Renewable Resources Fund (formerly
Private Placement Fund 1999	2006 Private Placement Fund	2014 Private Placement Fund	2015A Private Placement Fund)
Private Placement Fund 1999A	2007 Private Placement Fund	2015 Private Placement Fund	Renewable Resources Investment 2 Fund
2000 Private Placement Fund	2008 Private Placement Fund	2016 Private Placement Fund	IT Investment Trust

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 judgment and best estimates.

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

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

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

[S] Gordon J. Fyfe

Gordon Fyfe  
Chief Executive Officer / Chief Investment Officer

[S] Lawrence E. Davis

Lawrence Davis  
Senior Vice President, Finance



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Fax (604) 691-3031

## INDEPENDENT AUDITORS' REPORT

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

Mezzanine Mortgage Fund	2009 Private Placement Fund
US Mortgage Opportunity Fund	2010 Private Placement Fund
Private Placement Fund 1996	2011 Private Placement Fund
Private Placement Fund 1997	2012 Private Placement Fund
Private Placement Fund 1998	2013 Private Placement Fund
Private Placement Fund 1999	2014 Private Placement Fund
Private Placement Fund 1999A	2015 Private Placement Fund
2000 Private Placement Fund	2016 Private Placement Fund
2001 Private Placement Fund	Strategic Inv 100 Foreign PP Fund
2002 Private Placement Fund	Strategic Infrastructure Investment Fund 2
2003 Private Placement Fund	Renewable Resources Investment Fund
2004 Private Placement Fund	2016 Renewable Resources Fund
2005 Private Placement Fund	Private Placement Fund)
2006 Private Placement Fund	Renewable Resources Investment 2 Fund
2007 Private Placement Fund	IT Investment Trust
2008 Private Placement Fund	

(collectively, the Funds).

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position as at December 31, 2016, the 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 August 10, 2016 to December 31, 2016 only for the US Mortgage Opportunity Fund; period from inception on January 11, 2016 to December 31, 2016 only for the 2016 Private Placement Fund; period from inception on August 31, 2016 to December 31, 2016 only for the Renewable Resources Investment 2 Fund), and notes, comprising a summary of significant accounting policies and other explanatory information.

### *The Manager's Responsibility for the Financial Statements*

The 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 the audits to obtain reasonable assurance about whether the financial statements are free from 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 the 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 control 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 control. 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 presentation of the financial statements.

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, the 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 August 10, 2016 to December 31, 2016 only for the US Mortgage Opportunity Fund; period from inception on January 11, 2016 to December 31, 2016 only for the 2016 Private Placement Fund; period from inception on August 31, 2016 to December 31, 2016 only for the Renewable Resources Investment 2 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, flowing style. Below the signature is a single horizontal line that starts under the 'K' and extends to the right, ending under the 'P'.

Chartered Professional Accountants

August 18, 2017  
Vancouver, Canada

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Investments		\$ 179,105	\$ 204,039
<b>Liabilities</b>			
bclMC funds management fees payable	4	58	33
Other accounts payable		12	11
		<u>70</u>	<u>44</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 179,035</u>	<u>\$ 203,995</u>
<i>Number of redeemable units outstanding</i>	5	40.208	50.453
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 4,453</u>	<u>\$ 4,043</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
<b>Revenue:</b>			
Interest income		\$ 5	\$ 9
Change in fair value of investments:	8		
Net realized gain		34,206	13,747
Net change in unrealized depreciation		<u>(15,388)</u>	<u>(1,494)</u>
Total revenue		<u>18,823</u>	<u>12,262</u>
<b>Expenses:</b>			
bclMC funds management fees	4	532	559
Administrative fees		<u>21</u>	<u>20</u>
Total operating expenses		<u>553</u>	<u>579</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>18,270</u>	<u>11,683</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		<u>(33,670)</u>	<u>(13,177)</u>
		<u>(33,670)</u>	<u>(13,177)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (15,400)</u>	<u>\$ (1,494)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 203,995	\$ 204,578
Decrease in net assets attributable to holders of redeemable units	(15,400)	(1,494)
Redeemable unit transactions:		
Proceeds from units issued	64,000	27,234
Reinvestment of distributions	33,670	13,177
Amounts paid for units redeemed	(107,230)	(39,500)
Net increase (decrease) from redeemable unit transactions	(9,560)	911
<b>Balance, end of year</b>	<b>\$ 179,035</b>	<b>\$ 203,995</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (15,400)	\$ (1,494)
Adjustments for:		
Interest income	(5)	(9)
Net realized gain from investments	(34,206)	(13,747)
Net change in unrealized depreciation from investments	15,388	1,494
Non cash distributions	33,670	13,177
Proceeds from sale of investments	120,333	42,599
Amounts paid for purchase of investments	(76,581)	(29,763)
bclMC funds management fees payable	25	(1)
Other accounts payable	1	1
Interest received	5	9
	<u>43,230</u>	<u>12,266</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	64,000	27,234
Payments on redemption of redeemable units	(107,230)	(39,500)
	<u>(43,230)</u>	<u>(12,266)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE 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>
<b>Mortgage Investments <sup>1</sup>:</b>	\$ 178,179	\$ 131,613	\$ 203,642	\$ 141,687
<b>Money Market Investments:</b>				
Units in bciMC Pooled				
Investment Portfolio				
Fund ST1	<u>926</u>	<u>925</u>	<u>397</u>	<u>397</u>
<b>Total Investments</b>	<u>\$ 179,105</u>	<u>\$ 132,538</u>	<u>\$ 204,039</u>	<u>\$ 142,084</u>

<sup>1</sup> The mortgage investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE FUND**

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

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

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

(in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Fixed-Rate Mortgages	\$ 122,188	68.6 %	\$ 132,435	65.0 %
Variable-Rate Mortgages	-	- %	4,724	2.3 %
Other Mortgage Investments	52,949	29.7 %	62,418	30.7 %
bclMC Money Market Funds	2,227	1.2 %	2,628	1.3 %
Other Net Receivables	815	0.5 %	1,437	0.7 %
	<u>\$ 178,179</u>	<u>100.0 %</u>	<u>\$ 203,642</u>	<u>100.0 %</u>

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

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

**Credit Risk**

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

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

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

**Liquidity Risk**

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE FUND**

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

**Interest Rate Risk**

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

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

**MORTGAGES BY MATURITY**

DATE (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Within 1 year	\$ -	- %	\$ 78,063	56.91 %
1 to 5 years	122,188	100.00 %	59,096	43.09 %
Total Fixed-Rate and Variable-Rate Mortgages	<u>\$ 122,188</u>	<u>100.00 %</u>	<u>\$ 137,159</u>	<u>100.00 %</u>

The mortgages are fixed rate fixed term open to repayment. All of the mortgages except for one are subordinate to other bcIMC mortgages which require repayment in full before the mortgage in this fund can be repaid. As at Dec 31 2016 if the interest rate had increased/decreased by 1 percent, holding all other variables constant, net assets would have increased/decreased by \$561,551 representing 0.31% of the Fund's net assets.

**Currency Risk**

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

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

**Other Price Risk**

*Mortgages by Industry Sector*

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

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Fixed-Rate and Variable-Rate Mortgages:				
Office	\$ -	- %	\$ 6,000	3.0 %
Residential	122,188	69.8 %	107,629	53.9 %
Other	-	- %	23,530	11.8 %
Total Fixed-Rate and Variable-Rate Mortgages	122,188	69.8 %	137,159	68.7 %
Total Other Mortgage Investments in Residential Properties	52,949	30.2 %	62,418	31.3 %
	<u>\$ 175,137</u>	<u>100.0 %</u>	<u>\$ 199,577</u>	<u>100.0 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE FUND**

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

**Other Price Risk (continued)**

INDUSTRY SECTOR (Number of Mortgages)	2016		2015	
	Total	% of Total	Total	% of Total
Fixed-Rate and Variable-Rate Mortgages:				
Office	-	- %	1	4.2 %
Residential	7	43.7 %	10	41.6 %
Other	-	- %	4	16.7 %
Total Fixed-Rate and Variable-Rate Mortgages	7	43.7 %	15	62.5 %
Total Other Mortgage Investments in Residential Properties	9	56.3 %	9	37.5 %
	16	100.0 %	24	100.0 %

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$17,911,000 (2015 - \$20,404,000) or 10.0% (2015 – 10.0%) of net assets attributable to redeemable units.

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

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 815	\$ -	\$ 815
bclMC Money Market Funds	3,153	-	-	3,153
Fixed-Rate and Variable-Rate Mortgages	-	122,188	-	122,188
Other Mortgage Investments	-	-	52,949	52,949
Total Investments	\$ 3,153	\$ 123,003	\$ 52,949	\$ 179,105

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 1,437	\$ -	\$ 1,437
bclMC Money Market Funds	3,025	-	-	3,025
Fixed-Rate and Variable-Rate Mortgages	-	137,159	-	137,159
Other Mortgage Investments	-	-	62,418	62,418
Total Investments	\$ 3,025	\$ 138,596	\$ 62,418	\$ 204,039

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE FUND**

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

**Fair Value Hierarchy (continued)**

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

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

	2016
	Other Mortgage Investments
(in 000s)	
Balance, beginning of year	\$ 62,418
Total gains or (losses) recognized in profit or loss	(2,202)
Purchases	1,765
Sales	(9,032)
Balance, end of year	<u>\$ 52,949</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (2,202)</u>

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

**Fair Value Hierarchy (continued)**

	2015
	Other Mortgage Investments
(in 000s)	
Balance, beginning of year	\$ 91,875
Total gains or (losses) recognized in profit or loss	(14,959)
Purchases	734
Sales	(15,232)
Balance, end of year	<u>\$ 62,418</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (14,959)</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016	
	Fair Value (in 000s)	Valuation Technique
	Unobservable Input	Amount / Range
	Sensitivity to Change in Significant Unobservable Input	
Other Mortgage Investments	\$ 27,214	Net Asset Value
	\$ 25,735	Discounted Cash Flow
	Discount rate	9%-10%
	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
	The estimated fair value would increase (decrease) if the discount rate was lower (higher).	

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Other Mortgage Investments	\$ 27,890	Net Asset Value	Net Asset Value	\$ 27,890	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
	\$ 34,528	Discounted Cash Flow	Discount rate	9%-10%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

Represents the net asset value of the unlisted mortgage investments investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

(ii) Discount rate:

Represents the discount rate applied to the expected future cash flows of each private debt investment and debt issued. For the discount rates used, bclMC management assesses both the risk premium and the appropriate risk-free rate based on the economic environment in which the investee entity operates. The discount rate is adjusted for such matters as liquidity differences, credit and market factors. The estimated future cash flows are then discounted using the discount rate determined. Cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the respective investee entity.

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

(in 000s)	2016	2015
Favourable	\$ 5,200	\$ 6,200
Unfavourable	\$ (5,200)	\$ (6,200)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**MEZZANINE MORTGAGE FUND**

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

The Fund's investments are held primarily through 4 intermediary holding corporations, all of which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$178,180,000 (2015 - \$203,642,000), is shown under Investments in the Statement of Financial Position.

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

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	\$ 3,153
Unlisted mortgage investments investee funds administered by third party managers	9	\$ 281,730	\$ 52,949

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

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	\$ 3,025
Unlisted mortgage investments investee funds administered by third party managers	10	\$ 329,505	\$ 62,418

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**US MORTGAGE OPPORTUNITY FUND**

**Statement of Financial Position**

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

	Note	December 31, 2016
<b>Assets</b>		
Investments		\$ 10
<b>Liabilities</b>		
Other accounts payable		2
		<u>2</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 8</u>
<i>Number of redeemable units outstanding</i>	5	0.010
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 800</u>
<i>Contingent liability</i>	6	

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Period Ended December 31, 2016 (note 1)
<b>Revenue:</b>		
Change in fair value of investments	8	\$ -
<b>Expenses:</b>		
Administrative fees		2
Total operating expenses		<u>2</u>
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(2)</u>
Distributions to holders of redeemable units:		
From net investment income		-
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (2)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**US MORTGAGE OPPORTUNITY 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>
Decrease in net assets attributable to holders of redeemable units	\$ (2)
Redeemable unit transactions:	
Proceeds from units issued	10
Amounts paid for units redeemed	-
Net increase from redeemable unit transactions	10
<b>Balance, end of period</b>	<b>\$ 8</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Period Ended December 31, 2016 <i>(note 1)</i>
<b>Operating activities:</b>	
Decrease in net assets attributable to holders of redeemable units	\$ (2)
Adjustments for:	
Proceeds from sale of investments	1
Amounts paid for purchase of investments	(11)
Other accounts payable	2
	<u>(10)</u>
<b>Financing activities:</b>	
Proceeds from issue of redeemable units	10
	<u>10</u>
Net increase (decrease) in cash	-
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**US MORTGAGE OPPORTUNITY FUND**

**Schedule of Investments**

as at December 31

(all amounts in thousands)

	2016	
	<u>Fair Value</u>	<u>Cost</u>
<b>Mortgage Investments <sup>1</sup>:</b>	\$ 1	\$ 1
<b>Money Market Investments:</b>		
Units in bciMC Pooled		
Investment Portfolio		
Fund ST1	<u>9</u>	<u>9</u>
<b>Total Investments</b>	<u>\$ 10</u>	<u>\$ 10</u>

<sup>1</sup> The mortgage investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

US MORTGAGE OPPORTUNITY FUND

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

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

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

	2016	
	Total	% of Total
(in 000s)		
bclMC Money Market Funds	1	100.0 %
	\$ 1	100.0 %

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

**Credit Risk**

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

**Interest Rate Risk**

Substantially all of the Fund's financial assets and liabilities are non-interest bearing or have a short term to maturity, 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 net financial assets and liabilities are denominated in Canadian dollars.

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

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**Other Price Risk**

The only investment held by the corporations are bclMC Money Market Funds. Therefore, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bclMC does not believe this information is meaningful.

As at December 31, 2016, had the fair value of the investments increased or decreased by 10% with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively, by approximately \$1,000 or 14.3% of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**US MORTGAGE OPPORTUNITY FUND**

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

**Fair Value Hierarchy**

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

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

	2016			Total
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	
(in 000s)				
bciMC Money Market Funds	10	-	-	10
Total Investments	\$ 10	\$ -	\$ -	\$ 10

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

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

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

The Fund's investments are held primarily through one intermediary holding corporation, which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bciMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$1,000, is shown under Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts. The tables below set out the direct and indirect interests held by the Fund in these other 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	\$ 10

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1996**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Investments		\$ 210	\$ 502
<b>Liabilities</b>			
bclMC funds management fees payable	4	1	3
Other accounts payable		12	11
		<u>13</u>	<u>14</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 197</u>	<u>\$ 488</u>
<i>Number of redeemable units outstanding</i>	5	0.015	0.028
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 13,133</u>	<u>\$ 17,429</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 151	\$ 817
Net change in unrealized depreciation		(202)	(761)
Total revenue		<u>(51)</u>	<u>56</u>
<b>Expenses:</b>			
bclMC funds management fees	4	16	26
Administrative fees		20	19
Total operating expenses		<u>36</u>	<u>45</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(87)</u>	<u>11</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(126)	(772)
		<u>(126)</u>	<u>(772)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (213)</u>	<u>\$ (761)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1996**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 488	\$ 1,665
Decrease in net assets attributable to holders of redeemable units	(213)	(761)
Redeemable unit transactions:		
Proceeds from units issued	34	43
Reinvestment of distributions	126	772
Amounts paid for units redeemed	(238)	(1,231)
Net decrease from redeemable unit transactions	(78)	(416)
<b>Balance, end of year</b>	<b>\$ 197</b>	<b>\$ 488</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (213)	\$ (761)
Adjustments for:		
Net realized gain from investments	(151)	(817)
Net change in unrealized depreciation from investments	202	761
Non cash distributions	126	772
Proceeds from sale of investments	274	1,275
Amounts paid for purchase of investments	(33)	(43)
bcIMC funds management fees payable	(2)	-
Other accounts payable	1	1
	<u>204</u>	<u>1,188</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	34	43
Payments on redemption of redeemable units	(238)	(1,231)
	<u>(204)</u>	<u>(1,188)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1996**

**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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 208	\$ 89	\$ 498	\$ 177
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>2</u>	<u>2</u>	<u>4</u>	<u>4</u>
<b>Total Investments</b>	<u>\$ 210</u>	<u>\$ 91</u>	<u>\$ 502</u>	<u>\$ 181</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

Financial Risk Management Discussion  
as at December 31

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

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

(in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 192	92.3 %	\$ 481	96.6 %
bclMC Money Market Funds	16	7.7 %	17	3.4 %
	<u>\$ 208</u>	<u>100.0 %</u>	<u>\$ 498</u>	<u>100.0 %</u>

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

**Credit Risk**

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

**Liquidity Risk**

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

Financial Risk Management Discussion (continued)  
as at December 31

**Interest Rate Risk**

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

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$292,000 Cdn which represents 148.2% of the net asset value of the Fund (2015 - \$569,000 Cdn which represented 116.6% of the net asset value of the Fund).

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

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, respectively, by \$3,000 Cdn (2015 - \$6,000 Cdn), representing 1.5% of the Fund's net assets (2015 - 1.2%). 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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1996**

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

**Currency Risk (continued)**

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$438,000 Cdn (2015 - \$495,000 Cdn).

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$4,000 Cdn (2015 - \$5,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

**Other Price Risk**

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

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$21,000 (2015 - \$50,000) or 10.7% (2015 - 10.2%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**Fair Value Hierarchy**

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

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

		2016			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds		\$ 18	\$ -	\$ -	\$ 18
Unlisted Private Equity Investee Funds		-	-	192	192
Total Investments		\$ 18	\$ -	\$ 192	\$ 210
		2015			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bcIMC Money Market Funds		21	-	-	21
Unlisted Private Equity Investee Funds		-	-	481	481
Total Investments		\$ 21	\$ -	\$ 481	\$ 502

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

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1996**

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

**Fair Value Hierarchy (continued)**

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

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

	2016
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 481
Total gains or (losses) recognized in profit or loss	(47)
Purchases	-
Sales	(242)
Balance, end of year	<u>\$ 192</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (29)</u>
	2015
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 1,659
Total gains or (losses) recognized in profit or loss	82
Purchases	-
Sales	(1,260)
Balance, end of year	<u>\$ 481</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 5,182</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of unlisted private equity investee funds 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
Unlisted Private Equity Investee Funds	\$ 285	Unadjusted Net Asset Value	Net Asset Value	\$ 285	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ (93)	Adjusted Net Asset Value	Net Asset Value  Fair Value Adjustment	\$ (2)  \$ (91)	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 562	Unadjusted Net Asset Value	Net Asset Value	\$ 562	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ (81)	Adjusted Net Asset Value	Net Asset Value  Fair Value Adjustment	\$ 10  \$ (91)	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

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

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**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

(ii) Fair value adjustment:

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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**Effects of Unobservable Input on Fair Value Measurement (continued)**

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

(in 000s)	2016	2015
Favourable	\$ 19	\$ 48
Unfavourable	\$ (19)	\$ (48)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1996**

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity, approximately \$208,000 (2015 - \$498,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 18
Unlisted private equity investee funds administered by third party managers	2	\$ 41,064	\$ 192

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

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	\$ 2,935,771	\$ 21
Unlisted private equity investee funds administered by third party managers	2	\$ 66,735	\$ 481

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1997**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 7,374	\$ 14,277
<b>Liabilities</b>			
bclMC funds management fees payable	4	11	7
Other accounts payable		12	11
		<u>23</u>	<u>18</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 7,351</u>	<u>\$ 14,259</u>
<i>Number of redeemable units outstanding</i>	5	1,730	3,438
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 4,249</u>	<u>\$ 4,147</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 4,267	\$ 5,121
Net change in unrealized depreciation		(4,261)	(1,070)
Total revenue		<u>6</u>	<u>4,051</u>
<b>Expenses:</b>			
bclMC funds management fees	4	93	76
Administrative fees		20	19
Total operating expenses		<u>113</u>	<u>95</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(107)</u>	<u>3,956</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(4,167)	(5,025)
		<u>(4,167)</u>	<u>(5,025)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (4,274)</u>	<u>\$ (1,069)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1997**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 14,259	\$ 19,308
Decrease in net assets attributable to holders of redeemable units	(4,274)	(1,069)
Redeemable unit transactions:		
Proceeds from units issued	83	115
Reinvestment of distributions	4,167	5,025
Amounts paid for units redeemed	(6,884)	(9,120)
Net decrease from redeemable unit transactions	(2,634)	(3,980)
<b>Balance, end of year</b>	<b>\$ 7,351</b>	<b>\$ 14,259</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (4,274)	\$ (1,069)
Adjustments for:		
Net realized gain from investments	(4,267)	(5,121)
Net change in unrealized depreciation from investments	4,261	1,070
Non cash distributions	4,167	5,025
Proceeds from sale of investments	6,992	9,213
Amounts paid for purchase of investments	(83)	(114)
bcIMC funds management fees payable	4	-
Other accounts payable	1	1
	<u>6,801</u>	<u>9,005</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	83	115
Payments on redemption of redeemable units	(6,884)	(9,120)
	<u>(6,801)</u>	<u>(9,005)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1997**

**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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 7,374	\$ 2,609	\$ 14,251	\$ 5,225
<b>Money Market Investments:</b>				
Units in bclMC Pooled				
Investment Portfolio				
Fund ST1	-	-	26	26
<b>Total Investments</b>	<u>\$ 7,374</u>	<u>\$ 2,609</u>	<u>\$ 14,277</u>	<u>\$ 5,251</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1997**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 7,355	99.8 %	\$14,060	98.7 %
bciMC Money Market Funds	17	0.2 %	191	1.3 %
Net Investment-Related Receivables	2	- %	-	- %
	<u>\$ 7,374</u>	<u>100.0 %</u>	<u>\$14,251</u>	<u>100.0 %</u>

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

**Credit Risk**

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

**Liquidity Risk**

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

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 28	0.4 %	\$ 30	0.2 %
United States Dollar	5,745	78.2 %	11,028	77.3 %
Net Exposure	<u>\$ 5,773</u>	<u>78.5 %</u>	<u>\$ 11,058</u>	<u>77.6 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

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Financial Risk Management Discussion (continued)  
as at December 31

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**Currency Risk (continued)**

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$58,000 Cdn (2015 - \$111,000 Cdn), representing 0.8% of the Fund's net assets (2015 – 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$16,032,000 Cdn (2015 - \$16,607,000 Cdn).

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$160,000 Cdn (2015 - \$166,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

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Financial Risk Management Discussion (continued)  
as at December 31

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**Other Price Risk**

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

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$737,000 (2015 - \$1,428,000) or 10.0% (2015 – 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1997**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 2	\$ -	\$ 2
bclMC Money Market Funds	17	-	-	17
Unlisted Private Equity Investee Funds	-	-	7,355	7,355
Total Investments	<u>\$ 17</u>	<u>\$ 2</u>	<u>\$ 7,355</u>	<u>\$ 7,374</u>

  

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bclMC Money Market Funds	217	-	-	217
Unlisted Private Equity Investee Funds	-	-	14,060	14,060
Total Investments	<u>\$ 217</u>	<u>\$ -</u>	<u>\$ 14,060</u>	<u>\$ 14,277</u>

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

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

**Fair Value Hierarchy (continued)**

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

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

	2016
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 14,060
Total gains or (losses) recognized in profit or loss	(121)
Purchases	-
Sales	(6,584)
Balance, end of year	<u>\$ 7,355</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (740)</u>

  

	2015
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 17,714
Total gains or (losses) recognized in profit or loss	2,830
Purchases	312
Sales	(6,796)
Balance, end of year	<u>\$ 14,060</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 12,928</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1997**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of unlisted private equity investee funds 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
Unlisted Private Equity Investee Funds	\$ 5,766	Unadjusted Net Asset Value	Net Asset Value	\$ 5,765	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,589	Adjusted Net Asset Value	Net Asset Value	\$ 2,108	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$ (519)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

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

2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 10,877	Unadjusted Net Asset Value	Net Asset Value	\$ 10,877	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 3,183	Adjusted Net Asset Value	Net Asset Value	\$ 3,439	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$ (256)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

Significant unobservable inputs are developed as follows:

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1997**

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

(in 000s)	2016	2015
Favourable	\$ 735	\$ 1,406
Unfavourable	\$ (735)	\$ (1,406)

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$7,374,000 (2015 - \$14,251,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 17
Unlisted private equity investee funds administered by third party managers	8	\$ 93,702	\$ 7,355

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1997**

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

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	\$ 2,935,771	\$ 217
Unlisted private equity investee funds administered by third party managers	8	\$ 195,127	\$ 14,060

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1998**

<b>Statement of Financial Position</b> (all amounts in thousands except number of units)			
	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 3,722	\$ 5,900
<b>Liabilities</b>			
bclMC funds management fees payable	4	2	4
Other accounts payable		12	11
		<u>14</u>	<u>15</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 3,708</u>	<u>\$ 5,885</u>
<i>Number of redeemable units outstanding</i>	5	0.163	0.329
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 22,748</u>	<u>\$ 17,888</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

<b>Statement of Comprehensive Income</b> (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 2,505	\$ 7,318
Net change in unrealized depreciation		(1,984)	(5,662)
Total revenue		<u>521</u>	<u>1,656</u>
<b>Expenses:</b>			
bclMC funds management fees	4	18	33
Administrative fees		20	19
Total operating expenses		<u>38</u>	<u>52</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>483</u>	<u>1,604</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(2,479)	(7,266)
		<u>(2,479)</u>	<u>(7,266)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (1,996)</u>	<u>\$ (5,662)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1998**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 5,885	\$ 13,645
Decrease in net assets attributable to holders of redeemable units	(1,996)	(5,662)
Redeemable unit transactions:		
Proceeds from units issued	55	52
Reinvestment of distributions	2,479	7,266
Amounts paid for units redeemed	(2,715)	(9,416)
Net decrease from redeemable unit transactions	(181)	(2,098)
<b>Balance, end of year</b>	<b>\$ 3,708</b>	<b>\$ 5,885</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (1,996)	\$ (5,662)
Adjustments for:		
Net realized gain from investments	(2,505)	(7,318)
Net change in unrealized depreciation from investments	1,984	5,662
Non cash distributions	2,479	7,266
Proceeds from sale of investments	2,753	9,464
Amounts paid for purchase of investments	(54)	(48)
bcIMC funds management fees payable	(2)	(1)
Other accounts payable	1	1
	<u>2,660</u>	<u>9,364</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	55	52
Payments on redemption of redeemable units	(2,715)	(9,416)
	<u>(2,660)</u>	<u>(9,364)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1998**

**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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 3,720	\$ 218	\$ 5,895	\$ 409
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>2</u>	<u>2</u>	<u>5</u>	<u>5</u>
<b>Total Investments</b>	<u>\$ 3,722</u>	<u>\$ 220</u>	<u>\$ 5,900</u>	<u>\$ 414</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1998**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 1,759	47.3 %	\$ 972	16.5 %
Unlisted Private Equity Investee Funds	1,945	52.3 %	2,263	38.4 %
bclMC Money Market Funds	16	0.4 %	2,660	45.1 %
	<u>\$ 3,720</u>	<u>100.0 %</u>	<u>\$ 5,895</u>	<u>100.0 %</u>

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

**Credit Risk**

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

**Liquidity Risk**

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

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

**Interest Rate Risk**

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

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$7,000 Cdn which represents 0.2% of the net asset value of the Fund (2015 - \$2,665,000 Cdn which represented 45.3% 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 all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by less than \$1,000Cdn (2015 - \$27,000 Cdn), representing less than 0.1% of the Fund's net assets (2015 – 0.5%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2016, the Fund had no additional exposure to currency risk through its future unfunded commitments. As at December 31, 2015, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$993,000 Cdn. As at December 31, 2015 if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$10,000 Cdn. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1998**

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Energy	\$ 1,759	47.5 %	\$ 962	29.7 %
Pharmaceuticals, Biotechnology & Life Sciences	-	- %	10	0.3 %
Total Direct Private Equity Investments	1,759	47.5 %	972	30.0 %
Total Unlisted Private Equity Investee Funds in Energy and Telecommunication Services	1,945	52.5 %	2,263	70.0 %
	<u>\$ 3,704</u>	<u>100.0 %</u>	<u>\$ 3,235</u>	<u>100.0 %</u>

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Canada	\$ 1,759	47.5 %	\$ 962	29.7 %
United States	-	- %	10	0.3 %
Total Direct Private Equity Investments	1,759	47.5 %	972	30.0 %
Total Unlisted Private Equity Investee Funds in Canada	1,945	52.5 %	2,263	70.0 %
	<u>\$ 3,704</u>	<u>100.0 %</u>	<u>\$ 3,235</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$372,000 (2015 - \$590,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1998**

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

**Fair Value Hierarchy**

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

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

	2016				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	
(in 000s)					
bcIMC Money Market Funds	\$ 18	\$ -	\$ -	\$ 18	
Direct Private Equity Investments	-	-	1,759	1,759	
Unlisted Private Equity Investee Funds	-	-	1,945	1,945	
Total Investments	\$ 18	\$ -	\$ 3,704	\$ 3,722	

  

	2015				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	
(in 000s)					
bcIMC Money Market Funds	2,665	-	-	2,665	
Direct Private Equity Investments	-	-	972	972	
Unlisted Private Equity Investee Funds	-	-	2,263	2,263	
Total Investments	\$ 2,665	\$ -	\$ 3,235	\$ 5,900	

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

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

**Fair Value Hierarchy (continued)**

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

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

	2016		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 972	\$ 2,263	\$ 3,235
Total gains or (losses) recognized in profit or loss	796	(293)	503
Purchases	-	-	-
Sales	(9)	(25)	(34)
Balance, end of year	\$ 1,759	\$ 1,945	\$ 3,704

  

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 937	\$ (293)	\$ 644
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*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1998**

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

**Fair Value Hierarchy (continued)**

	2015		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 1,403	\$ 12,166	\$ 13,569
Total gains or (losses) recognized in profit or loss	1,302	261	1,563
Purchases	-	-	-
Sales	(1,733)	(10,164)	(11,897)
Balance, end of year	<u>\$ 972</u>	<u>\$ 2,263</u>	<u>\$ 3,235</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 12,111</u>	<u>\$ 257</u>	<u>\$ 12,368</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,759	Unadjusted Net Asset Value	Net Asset Value	\$ 1,759	The estimated fair value would increase (decrease) if the fair value of the direct private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,945	Adjusted Net Asset Value	Net Asset Value  Fair Value Adjustment	\$ 2,096  \$ (151)	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1998**

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 10	Market approach	EV / EBITDA	\$ 10	The estimated fair value would increase(decrease) if the EV / EBITDA multiple was higher (lower).
Direct Private Equity Investments	\$ 962	Unadjusted Net Asset Value	Net Asset Value	\$ 962	The estimated fair value would increase (decrease) if the fair value of direct private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 15	Unadjusted Net Asset Value	Net Asset Value	\$ 15	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 2,248	Adjusted Net Asset Value	Net Asset Value  Fair Value Adjustment	\$ 5,497  \$ 3,249	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value ("EV") and EBITDA multiples:  
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

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

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

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**PRIVATE PLACEMENT FUND 1998**

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 370	\$ 324
Unfavourable	\$ (370)	\$ (324)

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$3,720,000 (2015 - \$5,895,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 18
Unlisted private equity investee funds administered by third party managers	2	\$ 8,726	\$ 1,945

*See accompanying Notes to the Financial Statements.*

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**PRIVATE PLACEMENT FUND 1998**

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

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	2	\$ 2,935,771	\$ 2,665
Unlisted private equity investee funds administered by third party managers	3	\$ 10,064	\$ 2,263

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Investments		\$ 18,460	\$ 34,986
<b>Liabilities</b>			
bclMC funds management fees payable	4	6	5
Other accounts payable		12	11
		<u>18</u>	<u>16</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 18,442</u>	<u>\$ 34,970</u>
<i>Number of redeemable units outstanding</i>	5	9,841	18,037
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 1,874</u>	<u>\$ 1,939</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 8,208	\$ 7,641
Net change in unrealized depreciation		(8,583)	(2,354)
Total revenue		<u>(375)</u>	<u>5,287</u>
<b>Expenses:</b>			
bclMC funds management fees	4	79	73
Administrative fees		20	19
Total operating expenses		<u>99</u>	<u>92</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(474)</u>	<u>5,195</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(8,121)	(7,549)
		<u>(8,121)</u>	<u>(7,549)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (8,595)</u>	<u>\$ (2,354)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 34,970	\$ 47,195
Decrease in net assets attributable to holders of redeemable units	(8,595)	(2,354)
Redeemable unit transactions:		
Proceeds from units issued	81	114
Reinvestment of distributions	8,121	7,549
Amounts paid for units redeemed	(16,135)	(17,534)
Net decrease from redeemable unit transactions	(7,933)	(9,871)
<b>Balance, end of year</b>	<b>\$ 18,442</b>	<b>\$ 34,970</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (8,595)	\$ (2,354)
Adjustments for:		
Net realized gain from investments	(8,208)	(7,641)
Net change in unrealized depreciation from investments	8,583	2,354
Non cash distributions	8,121	7,549
Proceeds from sale of investments	16,231	17,624
Amounts paid for purchase of investments	(80)	(113)
bcIMC funds management fees payable	1	-
Other accounts payable	1	1
	<u>16,054</u>	<u>17,420</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	81	114
Payments on redemption of redeemable units	(16,135)	(17,534)
	<u>(16,054)</u>	<u>(17,420)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**PRIVATE PLACEMENT FUND 1999**

**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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 18,460	\$ 9,441	\$ 34,962	\$ 17,360
<b>Money Market Investments:</b>				
Units in bclMC Pooled Investment Portfolio				
Fund ST1	<u>-</u>	<u>-</u>	<u>24</u>	<u>24</u>
<b>Total Investments</b>	<u>\$ 18,460</u>	<u>\$ 9,441</u>	<u>\$ 34,986</u>	<u>\$ 17,384</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
(in 000s)				
Direct Private Equity Investments	\$ -	- %	\$ 31	0.1 %
Unlisted Private Equity Investee Funds	18,083	98.0 %	29,796	85.2 %
bclMC Money Market Funds	18	0.1 %	5,136	14.7 %
Net Investment-Related Receivable / Payable	359	1.9 %	(1)	- %
	<u>\$ 18,460</u>	<u>100.0 %</u>	<u>\$ 34,962</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$17,188,000 Cdn which represents 93.2% of the net asset value of the Fund (2015 - \$33,179,000 Cdn which represented 94.9% of the net asset value of the Fund).

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**PRIVATE PLACEMENT FUND 1999**

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

**Currency Risk (continued)**

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, respectively, by \$172,000 Cdn (2015 - \$332,000 Cdn), representing 0.9% of the Fund's net assets (2015 – 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$3,017,000 Cdn (2015 - \$4,128,000 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$30,000 Cdn (2015 - \$41,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Pharmaceuticals, Biotechnology & Life Sciences	-	- %	31	0.1 %
Total Direct Private Equity Investments	-	- %	31	0.1 %
Total Unlisted Private Equity Investee Funds in diversified industries	18,083	100.0 %	29,796	99.9 %
	<u>\$ 18,083</u>	<u>100.0 %</u>	<u>\$ 29,827</u>	<u>100.0 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999**

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
United States	\$ -	- %	\$ 31	0.1 %
Total Unlisted Private Equity Investee Funds diversified globally	18,083	100.0 %	29,796	99.9 %
	<u>\$ 18,083</u>	<u>100.0 %</u>	<u>\$ 29,827</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$1,846,000 (2015 - \$3,499,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**Fair Value Hierarchy**

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

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

(in 000s)	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net Investment-Related Receivables	\$ -	\$ 359	\$ -	\$ 359
bclMC Money Market Funds	18	-	-	18
Unlisted Private Equity Investee Funds	-	-	18,083	18,083
Total Investments	<u>\$ 18</u>	<u>\$ 359</u>	<u>\$ 18,083</u>	<u>\$ 18,460</u>

(in 000s)	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net Investment-Related Payables	\$ -	\$ (1)	\$ -	\$ (1)
bclMC Money Market Funds	5,160	-	-	5,160
Direct Private Equity Investments	-	-	31	31
Unlisted Private Equity Investee Funds	-	-	29,796	29,796
Total Investments	<u>\$ 5,160</u>	<u>\$ (1)</u>	<u>\$ 29,827</u>	<u>\$ 34,986</u>

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

*See accompanying Notes to the Financial Statements.*

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

**Fair Value Hierarchy (continued)**

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

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

	2016		
	Direct Private	Private Equity	
	Investments	Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 31	\$ 29,796	\$ 29,827
Total gains or (losses) recognized in profit or loss	(2)	(2,084)	(2,086)
Purchases	-	732	732
Sales	(29)	(10,361)	(10,390)
Balance, end of year	\$ -	\$ 18,083	\$ 18,083
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 431	\$ 9,441	\$ 9,872

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

**Fair Value Hierarchy (continued)**

	2015		
	Direct Private	Private Equity	
	Investments	Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 142	\$ 40,435	\$ 40,577
Total gains or (losses) recognized in profit or loss	(39)	5,241	5,202
Purchases	-	1,946	1,946
Sales	(72)	(17,826)	(17,898)
Balance, end of year	\$ 31	\$ 29,796	\$ 29,827
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (111)	\$ (4,935)	\$ (5,046)

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds 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
Unlisted Private Equity Investee Funds	\$ 18,083	Unadjusted Net Asset Value	Net Asset Value	\$ 18,083	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 31	Market Approach	EV / EBITDA	\$ 31	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 29,796	Unadjusted Net Asset Value	Net Asset Value	\$ 29,796	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

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

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

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**PRIVATE PLACEMENT FUND 1999**

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 1,808	\$ 2,983
Unfavourable	\$ (1,808)	\$ (2,983)

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$18,460,000 (2015 - \$34,962,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 18
Unlisted private equity investee funds administered by third party managers	7	\$ 591,530	\$ 18,083

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999**

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

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	\$ 2,935,771	\$ 5,160
Unlisted private equity investee funds administered by third party managers	8	\$ 909,517	\$ 29,796

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999A**

<b>Statement of Financial Position</b> (all amounts in thousands <i>except number of units</i> )			
	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Investments		\$ 2,026	\$ 3,801
<b>Liabilities</b>			
bclMC funds management fees payable	4	-	2
Other accounts payable		12	11
		<u>12</u>	<u>13</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 2,014</u>	<u>\$ 3,788</u>
<i>Number of redeemable units outstanding</i>	5	0.870	1.576
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 2,315</u>	<u>\$ 2,404</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

<b>Statement of Comprehensive Income</b> (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain (loss)		\$ 388	\$ (852)
Net change in unrealized appreciation (depreciation)		(578)	1,271
Total revenue		<u>(190)</u>	<u>419</u>
<b>Expenses:</b>			
bclMC funds management fees	4	17	29
Administrative fees		26	19
Total operating expenses		<u>43</u>	<u>48</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(233)</u>	<u>371</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(258)	-
		<u>(258)</u>	<u>-</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<u>\$ (491)</u>	<u>\$ 371</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999A**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 3,788	\$ 8,326
Increase (decrease) in net assets attributable to holders of redeemable units	(491)	371
Redeemable unit transactions:		
Proceeds from units issued	43	47
Reinvestment of distributions	258	-
Amounts paid for units redeemed	(1,584)	(4,956)
Net decrease from redeemable unit transactions	(1,283)	(4,909)
<b>Balance, end of year</b>	<b>\$ 2,014</b>	<b>\$ 3,788</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (491)	\$ 371
Adjustments for:		
Net realized (gain) loss from investments	(388)	852
Net change in unrealized (appreciation) depreciation from investments	578	(1,271)
Non cash distributions	258	-
Proceeds from sale of investments	1,625	5,003
Amounts paid for purchase of investments	(40)	(47)
bcIMC funds management fees payable	(2)	-
Other accounts payable	1	1
	<u>1,541</u>	<u>4,909</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	43	47
Payments on redemption of redeemable units	(1,584)	(4,956)
	<u>(1,541)</u>	<u>(4,909)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999A**

**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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 2,021	\$ 1,429	\$ 3,795	\$ 2,626
<b>Money Market Investments:</b>				
Units in bclMC Pooled Investment Portfolio				
Fund ST1	<u>5</u>	<u>5</u>	<u>6</u>	<u>5</u>
<b>Total Investments</b>	<u>\$ 2,026</u>	<u>\$ 1,434</u>	<u>\$ 3,801</u>	<u>\$ 2,631</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999A**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 2,004	99.2 %	\$ 3,779	99.6 %
bciMC Money Market Funds	17	0.8 %	16	0.4 %
	<u>\$ 2,021</u>	<u>100.0 %</u>	<u>\$ 3,795</u>	<u>100.0 %</u>

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

**Credit Risk**

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

**Liquidity Risk**

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

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

**Interest Rate Risk**

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

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$1,010,000 Cdn which represents 50.1% of the net asset value of the Fund (2015 - \$2,230,000 Cdn which represented 58.9% of the net asset value of the Fund).

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

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, respectively, by \$10,000 Cdn (2015 - \$22,300 Cdn), representing 0.5% of the Fund's net assets (2015 – 0.6%). 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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999A**

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

**Currency Risk (continued)**

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$134,000 Cdn (2015 - \$1,059,000 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,000 Cdn (2015 - \$11,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

**Other Price Risk**

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

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$203,000 (2015 - \$380,000) or 10.1% (2015 - 10.0%) of net assets attributable to redeemable units.

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

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

**Fair Value Hierarchy**

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

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

		2016			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bclMC Money Market Funds		\$ 22	\$ -	\$ -	\$ 22
Unlisted Private Equity Investee Funds		-	-	2,004	2,004
Total Investments		\$ 22	\$ -	\$ 2,004	\$ 2,026

  

		2015			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bclMC Money Market Funds		\$ 22	\$ -	\$ -	\$ 22
Unlisted Private Equity Investee Funds		-	-	3,779	3,779
Total Investments		\$ 22	\$ -	\$ 3,779	\$ 3,801

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999A**

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

**Fair Value Hierarchy (continued)**

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

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

	2016
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 3,779
Total gains or (losses) recognized in profit or loss	(824)
Purchases	-
Sales	(951)
Balance, end of year	<u>\$ 2,004</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (1,099)</u>
	2015
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 8,318
Total gains or (losses) recognized in profit or loss	417
Purchases	-
Sales	(4,956)
Balance, end of year	<u>\$ 3,779</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 109</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of unlisted private equity investee funds 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
Unlisted Private Equity Investee Funds	\$ 1,004	Unadjusted Net Asset Value	Net Asset Value	\$ 1,004	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,000	Adjusted Net Asset Value	Net Asset Value	\$ 1,512	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$ (512)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999A**

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 2,223	Unadjusted Net Asset Value	Net Asset Value	\$ 2,223	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,556	Adjusted Net Asset Value	Net Asset Value	\$ 4,619	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$ (3,063)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

(ii) Fair value adjustment:

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

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

(in 000s)	2016	2015
Favourable	\$ 200	\$ 378
Unfavourable	\$ (200)	\$ (378)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**PRIVATE PLACEMENT FUND 1999A**

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$2,021,000 (2015 - \$3,795,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 17
Unlisted private equity investee funds administered by third party managers	3	\$ 89,401	\$ 3,779

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

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	2	\$ 2,935,771	\$ 22
Unlisted private equity investee funds administered by third party managers	4	\$ 176,898	\$ 3,779

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Investments		\$ 12,745	\$ 21,535
<b>Liabilities</b>			
bclMC funds management fees payable	4	8	11
Other accounts payable		12	5
		<u>20</u>	<u>16</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 12,725</u>	<u>\$ 21,519</u>
<i>Number of redeemable units outstanding</i>	5	3,027	5,275
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 4,204</u>	<u>\$ 4,079</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 7,443	\$ 5,605
Net change in unrealized depreciation		(6,802)	(3,954)
Total revenue		<u>641</u>	<u>1,651</u>
<b>Expenses:</b>			
bclMC funds management fees	4	78	50
Administrative fees		20	19
Total operating expenses		<u>98</u>	<u>69</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>543</u>	<u>1,582</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(7,357)	(5,536)
		<u>(7,357)</u>	<u>(5,536)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (6,814)</u>	<u>\$ (3,954)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 21,519	\$ 26,991
Decrease in net assets attributable to holders of redeemable units	(6,814)	(3,954)
Redeemable unit transactions:		
Proceeds from units issued	74	70
Reinvestment of distributions	7,357	5,536
Amounts paid for units redeemed	(9,411)	(7,124)
Net decrease from redeemable unit transactions	(1,980)	(1,518)
<b>Balance, end of year</b>	<b>\$ 12,725</b>	<b>\$ 21,519</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (6,814)	\$ (3,954)
Adjustments for:		
Net realized gain from investments	(7,443)	(5,605)
Net change in unrealized depreciation from investments	6,802	3,954
Non cash distributions	7,357	5,536
Proceeds from sale of investments	9,505	7,192
Amounts paid for purchase of investments	(74)	(70)
bcIMC funds management fees payable	(3)	6
Other accounts payable	7	(5)
	<u>9,337</u>	<u>7,054</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	74	70
Payments on redemption of redeemable units	(9,411)	(7,124)
	<u>(9,337)</u>	<u>(7,054)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

**Schedule of Investments**

as at December 31

(all amounts in thousand \$)

	2016		2015	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 12,745	\$ 2,620	\$ 21,514	\$ 4,587
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
<b>Total Investments</b>	<u>\$ 12,745</u>	<u>\$ 2,620</u>	<u>\$ 21,535</u>	<u>\$ 4,608</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ -	- %	\$ 25	0.1 %
Unlisted Private Equity Investee Funds	12,572	98.6 %	17,539	81.5 %
bclMC Money Market Funds	186	1.5 %	3,950	18.4 %
Net Investment-Related Payables	(13)	(0.1)%	-	- %
	<u>\$ 12,745</u>	<u>100.0 %</u>	<u>\$ 21,514</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 99	0.8 %	\$ 347	1.6 %
United States Dollar	10,841	85.2 %	17,447	81.1 %
Net Exposure	<u>\$ 10,940</u>	<u>86.0 %</u>	<u>\$ 17,794</u>	<u>82.7 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

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

**Currency Risk (continued)**

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$109,000 Cdn (2015 - \$178,000 Cdn), representing 0.9% of the Fund's net assets (2015 – 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$1,325,000 Cdn (2015 - \$6,681,000 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$13,000 Cdn (2015 - \$53,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

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

**Other Price Risk**

The investments are held in limited partnerships and fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments: Pharmaceuticals, Biotechnology & Life Sciences	\$ -	- %	\$ 25	0.1 %
Total Unlisted Private Equity Investee Funds in diversified industries	12,572	100.0 %	17,539	99.9 %
	<u>\$ 12,572</u>	<u>100.0 %</u>	<u>\$ 17,564</u>	<u>100.0 %</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
United States	\$ -	- %	\$ 25	0.1 %
Total Unlisted Private Equity Investee Funds diversified globally	12,572	100.0 %	17,539	99.9 %
	<u>\$ 12,572</u>	<u>100.0 %</u>	<u>\$ 17,564</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$1,275,000 (2015 - \$2,154,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Payables	\$ (13)	\$ -	\$ -	\$ (13)
bclMC Money Market Funds	\$ 186	-	-	186
Unlisted Private Equity Investee Funds	-	-	12,572	12,572
Total Investments	<u>\$ 173</u>	<u>\$ -</u>	<u>\$ 12,572</u>	<u>\$ 12,745</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

	2015			Total
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	
(in 000s)				
bclMC Money Market Funds	3,971	-	-	3,971
Direct Private Equity Investments	-	-	25	25
Unlisted Private Equity Investee Funds	-	-	17,539	17,539
Total Investments	\$ 3,971	\$ -	\$ 17,564	\$ 21,535

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

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

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

	2016			Total
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds		
(in 000s)				
Balance, beginning of year	\$ 25	\$ 17,539	\$	17,564
Total gains or (losses) recognized in profit or loss	(1)	(1,460)		(1,461)
Purchases	-	-		-
Sales	(24)	(3,507)		(3,531)
Balance, end of year	\$ -	\$ 12,572	\$	12,572
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 353	\$ (3,529)	\$	(3,176)

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

**Fair Value Hierarchy (continued)**

	2015		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ -	\$ 25,231	\$ 25,231
Total gains or (losses) recognized in profit or loss	25	1,108	1,133
Purchases	-	8	8
Sales	-	(8,808)	(8,808)
Balance, end of year	\$ 25	\$ 17,539	\$ 17,564

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 25	\$ 5,641	\$ 5,666
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During 2016 and 2015, there were no significant transfers into or out of Level 3.

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 12,572	Unadjusted Net Asset Value	Net Asset Value	\$ 12,572	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 25	Market approach	EV / EBITDA	\$25	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 17,539	Unadjusted Net Asset Value	Net Asset Value	\$17,539	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

(i) Enterprise Value ("EV") and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

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



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 1,257	\$ 1,756
Unfavourable	\$ (1,257)	\$ (1,756)

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$12,745,000 (2015 - \$21,514,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 186
Unlisted private equity investee funds administered by third party managers	9	\$ 857,211	\$ 12,572

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2000 PRIVATE PLACEMENT FUND**

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

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	2	\$ 2,935,771	\$ 3,971
Unlisted private equity investee funds administered by third party managers	11	\$ 1,188,023	\$ 17,539

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2001 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 6,579	\$ 13,597
<b>Liabilities</b>			
bclMC funds management fees payable	4	5	4
Other accounts payable		12	11
		<u>17</u>	<u>15</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 6,562</u>	<u>\$ 13,582</u>
<i>Number of redeemable units outstanding</i>	5	1.498	3.000
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 4,381</u>	<u>\$ 4,527</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 5,088	\$ 5,107
Net change in unrealized depreciation		(5,593)	(2,009)
Total revenue		<u>(505)</u>	<u>3,098</u>
<b>Expenses:</b>			
bclMC funds management fees	4	40	30
Administrative fees		20	19
Total operating expenses		<u>60</u>	<u>49</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(565)</u>	<u>3,049</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(5,040)	(5,057)
		<u>(5,040)</u>	<u>(5,057)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (5,605)</u>	<u>\$ (2,008)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2001 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 13,582	\$ 17,141
Decrease in net assets attributable to holders of redeemable units	(5,605)	(2,008)
Redeemable unit transactions:		
Proceeds from units issued	58	48
Reinvestment of distributions	5,040	5,057
Amounts paid for units redeemed	(6,513)	(6,656)
Net decrease from redeemable unit transactions	(1,415)	(1,551)
<b>Balance, end of year</b>	<b>\$ 6,562</b>	<b>\$ 13,582</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (5,605)	\$ (2,008)
Adjustments for:		
Net realized gain from investments	(5,088)	(5,107)
Net change in unrealized depreciation from investments	5,593	2,009
Non cash distributions	5,040	5,057
Proceeds from sale of investments	6,580	6,699
Amounts paid for purchase of investments	(67)	(43)
bcIMC funds management fees payable	1	-
Other accounts payable	1	1
	<u>6,455</u>	<u>6,608</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	58	48
Payments on redemption of redeemable units	(6,513)	(6,656)
	<u>(6,455)</u>	<u>(6,608)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2001 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 6,564	\$ 1,405	\$ 13,592	\$ 2,840
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>15</u>	<u>15</u>	<u>5</u>	<u>5</u>
<b>Total Investments</b>	<u>\$ 6,579</u>	<u>\$ 1,420</u>	<u>\$ 13,597</u>	<u>\$ 2,845</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2001 PRIVATE PLACEMENT FUND**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 5,794	88.3 %	\$ 12,882	94.8 %
bciMC Money Market Funds	770	11.7 %	710	5.2 %
	<u>\$ 6,564</u>	<u>100.0 %</u>	<u>\$ 13,592</u>	<u>100.0 %</u>

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

**Credit Risk**

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

**Liquidity Risk**

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

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

**Interest Rate Risk**

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

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$6,555,000 Cdn which represents 99.9% of the net asset value of the Fund (2015 - \$13,582,000 Cdn which represented 100.0% of the net asset value of the Fund).

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

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, respectively, by \$66,000 Cdn (2015 - \$136,000 Cdn), 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.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$1,059,000 Cdn (2015 - \$2,272,000 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$11,000 Cdn (2015 - \$23,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2001 PRIVATE PLACEMENT FUND**

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

**Other Price Risk**

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

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$658,000 (2015 - \$1,360,000) or 10.0% (2015 – 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**Fair Value Hierarchy**

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

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

		2016			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bclMC Money Market Funds		\$ 785	\$ -	\$ -	\$ 785
Unlisted Private Equity Investee Funds		-	-	5,794	5,794
Total Investments		\$ 785	\$ -	\$ 5,794	\$ 6,579

  

		2015			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bclMC Money Market Funds		\$ 715	\$ -	\$ -	\$ 715
Unlisted Private Equity Investee Funds		-	-	12,882	12,882
Total Investments		\$ 715	\$ -	\$ 12,882	\$ 13,597

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2001 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

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

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

	2016
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 12,882
Total gains or (losses) recognized in profit or loss	(2,408)
Purchases	648
Sales	(5,328)
Balance, end of year	<u>\$ 5,794</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (6,845)</u>
	2015
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 16,129
Total gains or (losses) recognized in profit or loss	3,059
Purchases	920
Sales	(7,226)
Balance, end of year	<u>\$ 12,882</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (1,416)</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of unlisted private equity investee funds 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
Unlisted Private Equity Investee Funds	\$ 5,794	Unadjusted Net Asset Value	Net Asset Value	\$ 5,794	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 12,882	Unadjusted Net Asset Value	Net Asset Value	\$ 12,882	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2001 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

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

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

(in 000s)	2016	2015
Favourable	\$ 579	\$ 1,288
Unfavourable	\$ (579)	\$ (1,288)

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$6,564,000 (2015 - \$13,592,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 785
Unlisted private equity investee funds administered by third party managers	5	\$ 312,428	\$ 5,794

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2001 PRIVATE PLACEMENT FUND**

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

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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	\$ 2,935,771	\$ 715
Unlisted private equity investee funds administered by third party managers	5	\$ 605,532	\$ 12,882

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2002 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 30,078	\$ 50,855
<b>Liabilities</b>			
bclMC funds management fees payable	4	6	4
Other accounts payable		12	11
		<u>18</u>	<u>15</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 30,060</u>	<u>\$ 50,840</u>
<i>Number of redeemable units outstanding</i>	5	10.274	16.503
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 2,926</u>	<u>\$ 3,081</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 10,521	\$ 10,521
Net change in unrealized depreciation		(12,634)	(2,290)
Total revenue		<u>(2,113)</u>	<u>8,231</u>
<b>Expenses:</b>			
bclMC funds management fees	4	65	55
Administrative fees		20	19
Total operating expenses		<u>85</u>	<u>74</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(2,198)</u>	<u>8,157</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(10,448)	(10,447)
		<u>(10,448)</u>	<u>(10,447)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (12,646)</u>	<u>\$ (2,290)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2002 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 50,840	\$ 62,347
Decrease in net assets attributable to holders of redeemable units	(12,646)	(2,290)
Redeemable unit transactions:		
Proceeds from units issued	95	66
Reinvestment of distributions	10,448	10,447
Amounts paid for units redeemed	(18,677)	(19,730)
Net decrease from redeemable unit transactions	(8,134)	(9,217)
<b>Balance, end of year</b>	<b>\$ 30,060</b>	<b>\$ 50,840</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (12,646)	\$ (2,290)
Adjustments for:		
Net realized gain from investments	(10,521)	(10,521)
Net change in unrealized depreciation from investments	12,634	2,290
Non cash distributions	10,448	10,447
Proceeds from sale of investments	18,758	19,802
Amounts paid for purchase of investments	(94)	(66)
bcIMC funds management fees payable	2	1
Other accounts payable	1	1
	<u>18,582</u>	<u>19,664</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	95	66
Payments on redemption of redeemable units	(18,677)	(19,730)
	<u>(18,582)</u>	<u>(19,664)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2002 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 30,057	\$ 13,353	\$ 50,848	\$ 21,510
<b>Money Market Investments:</b>				
Units in bciMC Pooled				
Investment Portfolio				
Fund ST1	<u>21</u>	<u>21</u>	<u>7</u>	<u>7</u>
<b>Total Investments</b>	<u>\$ 30,078</u>	<u>\$ 13,374</u>	<u>\$ 50,855</u>	<u>\$ 21,517</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2002 PRIVATE PLACEMENT FUND**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 29,361	97.6 %	\$ 47,577	93.6 %
bciMC Money Market Funds	17	0.1 %	3,271	6.4 %
Net Investment-Related Receivables	679	2.3 %	-	- %
	<u>\$ 30,057</u>	<u>100.0 %</u>	<u>\$ 50,848</u>	<u>100.0 %</u>

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

**Credit Risk**

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

**Liquidity Risk**

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

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment-Related Receivables	% of Total Net Assets	Net Investments and Investment-Related Receivables	% of Total Net Assets
Euro	\$ 246	0.8 %	\$ 2,282	4.5 %
United States Dollar	28,919	96.2 %	45,659	89.8 %
Net Exposure	<u>\$ 29,165</u>	<u>97.0 %</u>	<u>\$ 47,941</u>	<u>94.3 %</u>

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$292,000 Cdn (2015 - \$479,000 Cdn), representing 1.0% of the Fund's net assets (2015 - 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

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Financial Risk Management Discussion (continued)  
as at December 31

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Currency Risk (continued)

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 333	\$ 721
United States Dollar	3,111	3,445
	<u>\$ 3,444</u>	<u>\$ 4,166</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$34,000 Cdn (2015 - \$42,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

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Financial Risk Management Discussion (continued)  
as at December 31

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Other Price Risk

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

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$3,008,000 (2015 - \$5,085,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2002 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 679	\$ -	\$ 679
bciMC Money Market Funds	38	-	-	38
Unlisted Private Equity Investee Funds	-	-	29,361	29,361
Total Investments	<u>\$ 38</u>	<u>\$ 679</u>	<u>\$ 29,361</u>	<u>\$ 30,078</u>

  

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bciMC Money Market Funds	\$ 3,278	\$ -	\$ -	\$ 3,278
Unlisted Private Equity Investee Funds	-	-	47,577	47,577
Total Investments	<u>\$ 3,278</u>	<u>\$ -</u>	<u>\$ 47,577</u>	<u>\$ 50,855</u>

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

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

**Fair Value Hierarchy (continued)**

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

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

	2016
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 47,577
Total gains or (losses) recognized in profit or loss	(4,630)
Purchases	406
Sales	(13,992)
Balance, end of year	<u>\$ 29,361</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (11,604)</u>

  

	2015
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 60,903
Total gains or (losses) recognized in profit or loss	7,659
Purchases	818
Sales	(21,803)
Balance, end of year	<u>\$ 47,577</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (8,351)</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2002 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of unlisted private equity investee funds 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
Unlisted Private Equity Investee Fund	\$ 29,361	Unadjusted Net Asset Value	Net Asset Value	\$ 29,361	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 47,577	Unadjusted Net Asset Value	Net Asset Value	\$ 47,577	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

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

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

(in 000s)	2016	2015
Favourable	\$ 2,936	\$ 4,758
Unfavourable	\$ (2,936)	\$ (4,758)

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2002 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$30,057,000 (2015 - \$50,848,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,645	\$ 17
Unlisted private equity investee funds administered by third party managers	5	\$ 420,555	\$ 29,361

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

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	2	\$ 2,935,771	\$ 3,278
Unlisted private equity investee funds administered by third party managers	5	\$ 896,394	\$ 47,577

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 32,875	\$ 88,440
<b>Liabilities</b>			
bclMC funds management fees payable	4	8	7
Other accounts payable		12	11
		<u>20</u>	<u>18</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 32,855</u>	<u>\$ 88,422</u>
<i>Number of redeemable units outstanding</i>	5	20.204	40.951
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 1,626</u>	<u>\$ 2,159</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 29,927	\$ 2,590
Net change in unrealized appreciation (depreciation)		(42,414)	8,213
Total revenue		<u>(12,487)</u>	<u>10,803</u>
<b>Expenses:</b>			
bclMC funds management fees	4	104	90
Administrative fees		20	19
Total operating expenses		<u>124</u>	<u>109</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(12,611)</u>	<u>10,694</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(29,815)	(2,481)
		<u>(29,815)</u>	<u>(2,481)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<u>\$ (42,426)</u>	<u>\$ 8,213</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 88,422	\$ 81,477
Increase (decrease) in net assets attributable to holders of redeemable units	(42,426)	8,213
Redeemable unit transactions:		
Proceeds from units issued	132	118
Reinvestment of distributions	29,815	2,481
Amounts paid for units redeemed	(43,088)	(3,867)
Net decrease from redeemable unit transactions	(13,141)	(1,268)
<b>Balance, end of year</b>	<b>\$ 32,855</b>	<b>\$ 88,422</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (42,426)	\$ 8,213
Adjustments for:		
Net realized gain from investments	(29,927)	(2,590)
Net change in unrealized (appreciation) depreciation from investments	42,414	(8,213)
Non cash distributions	29,815	2,481
Proceeds from sale of investments	43,209	3,964
Amounts paid for purchase of investments	(131)	(109)
bcIMC funds management fees payable	1	2
Other accounts payable	1	1
	<u>42,956</u>	<u>3,749</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	132	118
Payments on redemption of redeemable units	(43,088)	(3,867)
	<u>(42,956)</u>	<u>(3,749)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 32,846	\$ 12,747	\$ 88,421	\$ 25,909
<b>Money Market Investments:</b>				
Units in bciMC Pooled				
Investment Portfolio				
Fund ST1	<u>29</u>	<u>29</u>	<u>19</u>	<u>18</u>
<b>Total Investments</b>	<u>\$ 32,875</u>	<u>\$ 12,776</u>	<u>\$ 88,440</u>	<u>\$ 25,927</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 5,588	17.0 %	\$ 8,734	9.9 %
Unlisted Private Equity Investee Funds	26,212	79.8 %	71,514	80.9 %
bclMC Money Market Funds	17	0.1 %	8,173	9.2 %
Net Investment-Related Receivables	1,029	3.1 %	-	- %
	<u>\$ 32,846</u>	<u>100.0 %</u>	<u>\$ 88,421</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

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

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$4,112,000 Cdn which represents 12.5% of the net asset value of the Fund (2015 - \$13,917,000 Cdn which represented 15.7% of the net asset value of the Fund).

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

As at December 31, 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, respectively, by \$41,000 Cdn (2015 - \$139,000 Cdn), representing 0.1% of the Fund's net assets (2015 – 0.2%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$142,000 Cdn (2015 - \$3,492,000 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,000 Cdn (2015 - \$35,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

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

**Other Price Risk**

The investments are held in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Software & Services	\$ 5,588	17.6 %	\$ 8,734	10.9 %
Total Unlisted Private Equity Investee Funds in diversified industries	26,212	82.4 %	71,514	89.1 %
	<u>\$ 31,800</u>	<u>100.0 %</u>	<u>\$ 80,248</u>	<u>100.0 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Canada	\$ 5,588	17.6 %	\$ 8,734	10.9 %
Total Unlisted Private Equity Investee Funds diversified globally	26,212	82.4 %	71,514	89.1 %
	<u>\$ 31,800</u>	<u>100.0 %</u>	<u>\$ 80,248</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$3,288,000 (2015 - \$8,844,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**Fair Value Hierarchy**

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

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

(in 000s)	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net Investment-Related Receivables	\$ -	\$ 1,029	\$ -	\$ 1,029
bclMC Money Market Funds	46	-	-	46
Direct Private Equity Investments	-	-	5,588	5,588
Unlisted Private Equity Investee Funds	-	-	26,212	26,212
Total Investments	<u>\$ 46</u>	<u>\$ 1,029</u>	<u>\$ 31,800</u>	<u>\$ 32,875</u>

(in 000s)	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
bclMC Money Market Funds	\$ 8,192	\$ -	\$ -	\$ 8,192
Direct Private Equity Investments	-	-	8,734	8,734
Unlisted Private Equity Investee Funds	-	-	71,514	71,514
Total Investments	<u>\$ 8,192</u>	<u>\$ -</u>	<u>\$ 80,248</u>	<u>\$ 88,440</u>

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

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

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

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

	2016		
	Direct Private	Private Equity	
(in 000s)	Investments	Investee Funds	Total
Balance, beginning of year	\$ 8,734	\$ 71,514	\$ 80,248
Total gains or (losses) recognized in profit or loss	(3,146)	(23,764)	(26,910)
Purchases	-	-	-
Sales	-	(21,538)	(21,538)
Balance, end of year	\$ 5,588	\$ 26,212	\$ 31,800
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (3,146)	\$ (23,029)	\$ (26,175)

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

**Fair Value Hierarchy (continued)**

	2015		
	Direct Private	Private Equity	
(in 000s)	Investments	Investee Funds	Total
Balance, beginning of year	\$ 8,734	\$ 72,735	\$ 81,469
Total gains or (losses) recognized in profit or loss	-	10,208	10,208
Purchases	-	-	-
Sales	-	(11,429)	(11,429)
Balance, end of year	\$ 8,734	\$ 71,514	\$ 80,248
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ -	\$ 6,961	\$ 6,961

During 2016 and 2015, there were no significant transfers into or out of Level 3.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds 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 Investments	\$ 5,588	Market approach	EV / EBITDA	\$ 5,588	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 26,212	Unadjusted Net Asset Value	Net Asset Value	\$ 26,212	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 8,734	Market approach	EV / EBITDA	\$ 8,734	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 71,514	Unadjusted Net Asset Value	Net Asset Value	\$ 71,514	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

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

Significant unobservable inputs are developed as follows:

(i) Enterprise Value ("EV") and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 3,180	\$ 8,025
Unfavourable	\$ (3,180)	\$ (8,025)

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$32,846,000 (2015 - \$88,421,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 46
Unlisted private equity investee funds administered by third party managers	5	\$ 1,310,000	\$ 26,000

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2003 PRIVATE PLACEMENT FUND**

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

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	\$ 2,935,771	\$ 8,192
Unlisted private equity investee funds administered by third party managers	8	\$ 3,402,132	\$ 71,514

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2004 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 26,568	\$ 35,630
<b>Liabilities</b>			
bclMC funds management fees payable	4	12	7
Other accounts payable		12	11
		<u>24</u>	<u>18</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 26,544</u>	<u>\$ 35,612</u>
<i>Number of redeemable units outstanding</i>	5	29,213	36,397
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 909</u>	<u>\$ 978</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 2,101	\$ 2,445
Net change in unrealized appreciation (depreciation)		(4,164)	15
Total revenue		<u>(2,063)</u>	<u>2,460</u>
<b>Expenses:</b>			
bclMC funds management fees	4	112	84
Administrative fees		20	19
Total operating expenses		<u>132</u>	<u>103</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(2,195)</u>	<u>2,357</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(1,981)	(2,342)
		<u>(1,981)</u>	<u>(2,342)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<u>\$ (4,176)</u>	<u>\$ 15</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2004 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 35,612	\$ 39,681
Increase (decrease) in net assets attributable to holders of redeemable units	(4,176)	15
Redeemable unit transactions:		
Proceeds from units issued	160	594
Reinvestment of distributions	1,981	2,342
Amounts paid for units redeemed	(7,033)	(7,020)
Net decrease from redeemable unit transactions	(4,892)	(4,084)
<b>Balance, end of year</b>	<b>\$ 26,544</b>	<b>\$ 35,612</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (4,176)	\$ 15
Adjustments for:		
Net realized gain from investments	(2,101)	(2,445)
Net change in unrealized (appreciation) depreciation from investments	4,164	(15)
Non cash distributions	1,981	2,342
Proceeds from sale of investments	7,160	7,121
Amounts paid for purchase of investments	(161)	(595)
bcIMC funds management fees payable	5	2
Other accounts payable	1	1
	<u>6,873</u>	<u>6,426</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	160	594
Payments on redemption of redeemable units	(7,033)	(7,020)
	<u>(6,873)</u>	<u>(6,426)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2004 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 26,567	\$ 37,401	\$ 35,603	\$ 42,272
<b>Money Market Investments:</b>				
Units in bclMC Pooled				
Investment Portfolio				
Fund ST1	-	-	27	27
Fund ST3	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Investments</b>	<u>\$ 26,568</u>	<u>\$ 37,401</u>	<u>\$ 35,630</u>	<u>\$ 42,299</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2004 PRIVATE PLACEMENT FUND**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 26,540	99.9 %	\$ 34,717	97.5 %
bciMC Money Market Funds	27	0.1 %	886	2.5 %
	<u>\$ 26,567</u>	<u>100.0 %</u>	<u>\$ 35,603</u>	<u>100.0 %</u>

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

**Credit Risk**

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

**Liquidity Risk**

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

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 1,841	6.9 %	\$ 4,092	11.5 %
United States Dollar	9,828	37.0 %	12,436	34.9 %
Net Exposure	<u>\$ 11,669</u>	<u>44.0 %</u>	<u>\$ 16,528</u>	<u>46.4 %</u>

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$117,000 Cdn (2015 - \$165,000 Cdn), representing 0.4% of the Fund's net assets (2015 – 0.5%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

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Financial Risk Management Discussion (continued)  
as at December 31

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Currency Risk (continued)

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 6	\$ 42
United States Dollar	74	134
	<u>\$ 80</u>	<u>\$ 176</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,000 Cdn (2015 - \$2,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

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Financial Risk Management Discussion (continued)  
as at December 31

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Other Price Risk

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

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$2,657,000 (2015 - \$3,563,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2004 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

		2016			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bclMC Money Market Funds		\$ 28	\$ -	\$ -	\$ 28
Unlisted Private Equity Investee Funds		-	-	26,540	26,540
Total Investments		\$ 28	\$ -	\$ 26,540	\$ 26,568

  

		2015			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bclMC Money Market Funds		\$ 913	\$ -	\$ -	\$ 913
Unlisted Private Equity Investee Funds		-	-	34,717	34,717
Total Investments		\$ 913	\$ -	\$ 34,717	\$ 35,630

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

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

**Fair Value Hierarchy (continued)**

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

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

		2016
		Unlisted Private Equity Investee Funds
(in 000s)		
Balance, beginning of year		\$ 34,717
Total gains or (losses) recognized in profit or loss		(2,999)
Purchases		127
Sales		(5,305)
Balance, end of year		\$ 26,540
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ (7,298)

  

		2015
		Unlisted Private Equity Investee Funds
(in 000s)		
Balance, beginning of year		\$ 39,563
Total gains or (losses) recognized in profit or loss		(1,628)
Purchases		332
Sales		(3,550)
Balance, end of year		\$ 34,717
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ 20,412

During 2016 and 2015, there were no significant transfers into or out of Level 3.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2004 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of unlisted private equity investee funds 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
Unlisted Private Equity Investee Funds	\$ 26,540	Unadjusted Adjusted Net Asset Value	Net Asset Value	\$ 26,540	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 34,717	Unadjusted Adjusted Net Asset Value	Net Asset Value	\$ 34,717	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

Significant unobservable inputs are developed as follows:

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

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

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

(in 000s)	2016	2015
Favourable	\$ 2,654	\$ 3,472
Unfavourable	\$ (2,654)	\$ (3,472)

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLQUID POOLED INVESTMENT PORTFOLIOS

**2004 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$26,567,000 (2015 - \$35,603,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 26
Unlisted private equity investee funds administered by third party managers	8	\$ 285,343	\$ 26,540

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

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	2	\$ 2,935,771	\$ 913
Unlisted private equity investee funds administered by third party managers	8	\$ 404,271	\$ 34,717

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 184,876	\$ 260,860
<b>Liabilities</b>			
bclMC funds management fees payable	4	29	18
Other accounts payable		12	11
		<u>41</u>	<u>29</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 184,835</u>	<u>\$ 260,831</u>
<i>Number of redeemable units outstanding</i>	5	159,455	216,620
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 1,159</u>	<u>\$ 1,204</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Foreign exchange gain		\$ -	\$ 1
Change in fair value of investments:	8		
Net realized gain		45,874	76,992
Net change in unrealized depreciation		<u>(56,404)</u>	<u>(19,368)</u>
Total revenue		<u>(10,530)</u>	<u>57,625</u>
<b>Expenses:</b>			
bclMC funds management fees	4	272	203
External management fees		128	(13)
Administrative fees		20	19
Total operating expenses		<u>420</u>	<u>209</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(10,950)</u>	<u>57,416</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		<u>(45,467)</u>	<u>(76,784)</u>
		<u>(45,467)</u>	<u>(76,784)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (56,417)</u>	<u>\$ (19,368)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 260,831	\$ 316,929
Decrease in net assets attributable to holders of redeemable units	(56,417)	(19,368)
Redeemable unit transactions:		
Proceeds from units issued	726	1,425
Reinvestment of distributions	45,467	76,784
Amounts paid for units redeemed	(65,772)	(114,939)
Net decrease from redeemable unit transactions	(19,579)	(36,730)
<b>Balance, end of year</b>	<b>\$ 184,835</b>	<b>\$ 260,831</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (56,417)	\$ (19,368)
Adjustments for:		
Effect of exchange rate changes on cash	-	(1)
Net realized gain from investments	(45,874)	(76,992)
Net change in unrealized depreciation from investments	56,404	19,368
Non cash distributions	45,467	76,784
Proceeds from sale of investments	66,361	115,399
Amounts paid for purchase of investments	(907)	(1,680)
bcIMC funds management fees payable	11	2
Other accounts payable	1	1
	<u>65,046</u>	<u>113,513</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	726	1,425
Payments on redemption of redeemable units	(65,772)	(114,939)
	<u>(65,046)</u>	<u>(113,514)</u>
Net decrease in cash	-	(1)
Effect of exchange rate changes on cash	-	1
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 184,815	\$ 55,418	\$ 260,831	\$ 75,030
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	55	55	23	23
Fund ST3	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
	<u>61</u>	<u>61</u>	<u>29</u>	<u>29</u>
<b>Total Investments</b>	<u>\$ 184,876</u>	<u>\$ 55,479</u>	<u>\$ 260,860</u>	<u>\$ 75,059</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT FUND**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 8,171	4.4 %	\$ 13,984	5.3 %
Direct Private Debt Investments	7,017	3.8 %	7,486	2.9 %
Unlisted Private Equity Investee Funds	167,199	90.5 %	234,172	89.8 %
bclMC Money Market Funds	540	0.3 %	4,783	1.8 %
Cash	66	- %	-	- %
Net Investment-Related Receivables	1,822	1.0 %	406	0.2 %
	<u>\$ 184,815</u>	<u>100.0 %</u>	<u>\$ 260,831</u>	<u>100.0 %</u>

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

**Credit Risk**

The majority of the private debt investments are in closely held private companies where the Fund has a significant ownership percentage. Due to the private nature of the debt, it is not subject to rating by a rating agency. The maximum credit risk exposure is \$7,017,000 Cdn (2015 - \$7,486,000 Cdn).

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

	2016		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 7,017	15%	2055

  

	2015		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 7,486	15%	2055



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT FUND**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 43,399	23.5 %	\$ 51,414	19.7 %
United States Dollar	140,072	75.8 %	205,893	78.9 %
Net Exposure	<u>\$ 183,471</u>	<u>99.3 %</u>	<u>\$ 257,307</u>	<u>98.6 %</u>

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$1,835,000 Cdn (2015 - \$2,573,000 Cdn), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

**Currency Risk (continued)**

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 11,556	\$ 4,778
United States Dollar	33,490	49,522
	<u>\$ 45,046</u>	<u>\$ 54,300</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$450,000 Cdn (2015 - \$543,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT FUND**

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments, direct private debt and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Consumer Discretionary	\$ 15,188	8.3 %	\$ 21,470	8.4 %
Total Unlisted Private Equity Investee Funds in diversified industries	167,199	91.7 %	234,172	91.6 %
	<u>\$ 182,387</u>	<u>100.0 %</u>	<u>\$ 255,642</u>	<u>100.0 %</u>

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted private equity and debt investments:				
Europe	\$ 15,188	8.3 %	\$ 21,470	8.4 %
Total Unlisted Private Equity Investee Funds diversified globally	167,199	91.7 %	234,172	91.6 %
	<u>\$ 182,387</u>	<u>100.0 %</u>	<u>\$ 255,642</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$18,488,000 (2015 - \$26,086,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash	\$ 66	\$ -	\$ -	\$ 66
Net Investment-Related				
Receivables	-	1,822	-	1,822
bclMC Money Market Funds	601	-	-	601
Direct Private Equity Investments	-	-	8,171	8,171
Direct Private Debt Investments	-	-	7,017	7,017
Unlisted Private Equity Investee				
Funds	-	-	167,199	167,199
Total Investments	\$ 667	\$ 1,822	\$ 182,387	\$ 184,876

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

**Fair Value Hierarchy (continued)**

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 406	\$ -	\$ 406
bclMC Money Market Funds	4,812	-	-	4,812
Direct Private Equity Investments	-	-	13,984	13,984
Direct Private Debt Investments	-	-	7,486	7,486
Unlisted Private Equity Investee				
Funds	-	-	234,172	234,172
Total Investments	\$ 4,812	\$ 406	\$ 255,642	\$ 260,860

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

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

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

	2016			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 13,984	\$ 7,486	\$ 234,172	\$ 255,642
Total gains or (losses) recognized in profit or loss	(4,886)	(469)	(16,991)	(22,346)
Purchases	-	-	1,019	1,019
Sales	(927)	-	(51,001)	(51,928)
Balance, end of year	<u>\$ 8,171</u>	<u>\$ 7,017</u>	<u>\$ 167,199</u>	<u>\$ 182,387</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (4,912)</u>	<u>\$ 562</u>	<u>\$ (32,993)</u>	<u>\$ (37,343)</u>

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

**Fair Value Hierarchy (continued)**

	2015			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 6,518	\$ -	\$ 306,065	\$ 312,583
Total gains or (losses) recognized in profit or loss	7,466	101	43,949	51,516
Purchases	-	7,385	3,458	10,843
Sales	-	-	(119,300)	(119,300)
Balance, end of year	<u>\$ 13,984</u>	<u>\$ 7,486</u>	<u>\$ 234,172</u>	<u>\$ 255,642</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 7,466</u>	<u>\$ 507</u>	<u>\$ (13,672)</u>	<u>\$ (5,699)</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2005 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, direct private debt investments, and unlisted private equity investee funds 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 Investments	\$ 8,171	Unadjusted Net Asset Value	Net Asset Value	\$ 8,171	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 7,017	Market approach	EV / EBITDA	\$ 7,017	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 167,199	Unadjusted Net Asset Value	Net Asset Value	\$ 167,199	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 13,984	Unadjusted Net Asset Value	Net Asset Value	\$ 13,984	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 7,486	Market approach	EV / EBITDA	\$ 7,486	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 234,172	Unadjusted Net Asset Value	Net Asset Value	\$ 234,172	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2005 PRIVATE PLACEMENT FUND

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

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Significant unobservable inputs are developed as follows:

(i) Enterprise Value ("EV") and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

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

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**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 18,239	\$ 25,564
Unfavourable	\$ (18,239)	\$ (25,564)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**2005 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$184,815,000 (2015 - \$260,831,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 601
Unlisted private equity investee funds administered by third party managers	12	\$ 10,910,124	\$ 167,199

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

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	2	\$ 2,935,771	\$ 4,812
Unlisted private equity investee funds administered by third party managers	12	\$ 19,593,754	\$ 234,172

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 295,572	\$ 496,761
<b>Liabilities</b>			
bclMC funds management fees payable	4	32	18
Other accounts payable		12	11
		<u>44</u>	<u>29</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><u>\$ 295,528</u></u>	<u><u>\$ 496,732</u></u>
<i>Number of redeemable units outstanding</i>	5	132.458	196.904
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><u>\$ 2,231</u></u>	<u><u>\$ 2,523</u></u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 88,289	\$ 114,613
Net change in unrealized appreciation (depreciation)		(142,651)	31,557
Total revenue		<u>(54,362)</u>	<u>146,170</u>
<b>Expenses:</b>			
bclMC funds management fees	4	336	244
Administrative fees		20	19
Total operating expenses		<u>356</u>	<u>263</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(54,718)</u>	<u>145,907</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(87,945)	(114,350)
		<u>(87,945)</u>	<u>(114,350)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<u><u>\$ (142,663)</u></u>	<u><u>\$ 31,557</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 496,732	\$ 568,729
Increase (decrease) in net assets attributable to holders of redeemable units	(142,663)	31,557
Redeemable unit transactions:		
Proceeds from units issued	578	4,893
Reinvestment of distributions	87,945	114,350
Amounts paid for units redeemed	(147,064)	(222,797)
Net decrease from redeemable unit transactions	(58,541)	(103,554)
<b>Balance, end of year</b>	<b>\$ 295,528</b>	<b>\$ 496,732</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (142,663)	\$ 31,557
Adjustments for:		
Net realized gain from investments	(88,289)	(114,613)
Net change in unrealized (appreciation) depreciation from investments	142,651	(31,557)
Non cash distributions	87,945	114,350
Proceeds from sale of investments	147,405	223,059
Amounts paid for purchase of investments	(578)	(4,894)
bcIMC funds management fees payable	14	1
Other accounts payable	1	1
	<u>146,486</u>	<u>217,904</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	578	4,893
Payments on redemption of redeemable units	(147,064)	(222,797)
	<u>(146,486)</u>	<u>(217,904)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 295,572	\$ 120,246	\$ 496,694	\$ 178,718
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>-</u>	<u>-</u>	<u>67</u>	<u>66</u>
<b>Total Investments</b>	<u>\$ 295,572</u>	<u>\$ 120,246</u>	<u>\$ 496,761</u>	<u>\$ 178,784</u>

<sup>1</sup> The private equity investments are held through a private corporation.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ -	- %	\$ 78	- %
Unlisted Private Equity Investee Funds	291,309	98.6 %	490,110	98.7 %
bclMC Money Market Funds	3,397	1.1 %	5,082	1.0 %
Cash	-	- %	1,424	0.3 %
Net Investment-Related Receivables	866	0.3 %	-	- %
	<u>\$ 295,572</u>	<u>100.0 %</u>	<u>\$ 496,694</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment-Related Receivables	% of Total Net Assets	Net Investments and Investment-Related Receivables	% of Total Net Assets
Euro	\$ 40,959	13.9 %	\$ 111,885	22.5 %
United States Dollar	214,079	72.4 %	296,939	59.8 %
Net Exposure	<u>\$ 255,038</u>	<u>86.3 %</u>	<u>\$ 408,824</u>	<u>82.3 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

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

**Currency Risk (continued)**

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$2,550,000 Cdn (2015 - \$4,088,000 Cdn), representing 0.9% of the Fund's net assets (2015 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 11,203	\$ 22,243
United States Dollar	23,104	29,077
	<u>\$ 34,307</u>	<u>\$ 51,320</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$343,000 Cdn (2015 - \$513,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Utilities	\$ -	- %	\$ 78	- %
Total Unlisted Private Equity Investee Funds in diversified industries	295,571	100.0 %	490,110	100.0 %
	<u>\$ 295,571</u>	<u>100.0 %</u>	<u>\$ 490,188</u>	<u>100.0 %</u>

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
United States	\$ -	- %	\$ 78	- %
Total Unlisted Private Equity Investee Funds diversified globally	295,571	100.0 %	490,110	100.0 %
	<u>\$ 295,571</u>	<u>100.0 %</u>	<u>\$ 490,188</u>	<u>100.0 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

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

**Other Price Risk (continued)**

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$29,557,000 (2015 - \$49,676,000) or 10.0% (2015 – 10.0%) of net assets attributable to redeemable units.

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

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 866	\$ -	\$ 866
bclMC Money Market Funds	3,397	-	-	3,397
Unlisted Private Equity Investee Funds	-	-	291,309	291,309
Total Investments	\$ 3,397	\$ 866	\$ 291,309	\$ 295,572

  

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash	\$ -	\$ 1,424	\$ -	\$ 1,424
bclMC Money Market Funds	5,149	-	-	5,149
Direct Private Equity Investments	-	-	78	78
Unlisted Private Equity Investee Funds	-	-	490,110	490,110
Total Investments	\$ 5,149	\$ 1,424	\$ 490,188	\$ 496,761

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

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

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

	2016		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 78	\$ 490,110	\$ 490,188
Total gains or (losses) recognized in profit or loss	(78)	(73,610)	(73,688)
Purchases	-	3,955	3,955
Sales	-	(129,146)	(129,146)
Balance, end of year	\$ -	\$ 291,309	\$ 291,309
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (78)	\$ (142,651)	\$ (142,729)

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

**Fair Value Hierarchy (continued)**

	2015		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 82	\$ 537,422	\$ 537,504
Total gains or (losses) recognized in profit or loss	(4)	100,936	100,932
Purchases	-	8,692	8,692
Sales	-	(156,940)	(156,940)
Balance, end of year	\$ 78	\$ 490,110	\$ 490,188
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (4)	\$ 18,260	\$ 18,256

During 2016 and 2015, there were no significant transfers into or out of Level 3.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds 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
Unlisted Private Equity Investee Funds	\$ 291,310	Undjusted Net Asset Value	Net Asset Value	\$ 291,310	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 78	Market approach	EV / EBITDA	\$ 78	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 490,110	Unadjusted Net Asset Value	Net Asset Value	\$ 490,110	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

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

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 29,131	\$ 49,019
Unfavourable	\$ (29,131)	\$ (49,019)

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

The Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$295,572,000 (2015 - \$496,694,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 3,397
Unlisted private equity investee funds administered by third party managers	9	\$ 13,408,226	\$ 291,309

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2006 PRIVATE PLACEMENT FUND**

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

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	\$ 2,935,771	\$ 5,149
Unlisted private equity investee funds administered by third party managers	9	\$ 21,800,384	\$ 490,110

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 572,660	\$ 622,427
<b>Liabilities</b>			
bclMC funds management fees payable	4	56	33
Other accounts payable		12	11
		<u>68</u>	<u>44</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 572,592</u>	<u>\$ 622,383</u>
<i>Number of redeemable units outstanding</i>	5	327.634	383.113
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 1,748</u>	<u>\$ 1,625</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ 1	\$ -
Change in fair value of investments:	8		
Net realized gain		48,881	102,729
Net change in unrealized depreciation		<u>(9,002)</u>	<u>(36,285)</u>
Total revenue		<u>39,880</u>	<u>66,444</u>
<b>Expenses:</b>			
bclMC funds management fees	4	579	412
Administrative fees		20	19
Pursuit costs		<u>-</u>	<u>4</u>
Total operating expenses		<u>599</u>	<u>435</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>39,281</u>	<u>66,009</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		<u>(48,295)</u>	<u>(102,295)</u>
		<u>(48,295)</u>	<u>(102,295)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u>\$ (9,014)</u>	<u>\$ (36,286)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 622,383	\$ 747,371
Decrease in net assets attributable to holders of redeemable units	(9,014)	(36,286)
Redeemable unit transactions:		
Proceeds from units issued	8,712	14,332
Reinvestment of distributions	48,295	102,295
Amounts paid for units redeemed	(97,784)	(205,329)
Net decrease from redeemable unit transactions	(40,777)	(88,702)
<b>Balance, end of year</b>	<b>\$ 572,592</b>	<b>\$ 622,383</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (9,014)	\$ (36,286)
Adjustments for:		
Interest income	(1)	-
Net realized gain from investments	(48,881)	(102,729)
Net change in unrealized depreciation from investments	9,002	36,285
Non cash distributions	48,295	102,295
Proceeds from sale of investments	98,885	205,757
Amounts paid for purchase of investments	(9,239)	(14,333)
bcIMC funds management fees payable	23	7
Other accounts payable	1	1
Interest received	1	-
	<u>89,072</u>	<u>190,997</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	8,712	14,332
Payments on redemption of redeemable units	(97,784)	(205,329)
	<u>(89,072)</u>	<u>(190,997)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 572,515	\$ 265,932	\$ 622,312	\$ 306,728
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>145</u>	<u>146</u>	<u>115</u>	<u>115</u>
<b>Total Investments</b>	<u>\$ 572,660</u>	<u>\$ 266,078</u>	<u>\$ 622,427</u>	<u>\$ 306,843</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

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

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 15,868	2.8 %	\$ 10,422	1.7 %
Direct Private Debt Investments	23,253	4.1 %	23,424	3.8 %
Unlisted Private Equity Investee Funds	508,299	88.8 %	554,624	89.1 %
bclMC Money Market Funds	4,751	0.8 %	23,148	3.7 %
Public Equities	20,270	3.5 %	10,694	1.7 %
Net Investment-Related Receivables	74	- %	-	- %
	<u>\$ 572,515</u>	<u>100.0 %</u>	<u>\$ 622,312</u>	<u>100.0 %</u>

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

**Credit Risk**

The majority of the private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The maximum credit risk exposure is \$23,253,000 Cdn (2015 - \$23,424,000 Cdn).

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

INTEREST RATE RISK	2016		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 23,253	0.00% to 9.88%	2017 to 2037

  

INTEREST RATE RISK	2015		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 23,424	0.00% to 9.88%	2017 to 2037

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

**Interest Rate Risk (continued)**

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

As at December 31, 2016 and 2015, the Fund had no other assets or liabilities which change in value as a result of changes in the interest rates.

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Brazilian Real	\$ 20,270	3.5 %	\$ 10,694	1.7 %
Euro	41,774	7.3 %	60,239	9.7 %
United States Dollar	406,511	71.0 %	445,979	71.7 %
Net Exposure	<u>\$ 468,555</u>	<u>81.8 %</u>	<u>\$ 516,912</u>	<u>83.1 %</u>

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

**Currency Risk (continued)**

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$4,686,000 Cdn (2015 - \$5,169,000 Cdn), representing 0.8% of the Fund's net assets (2015 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 3,204	\$ 2,872
United States Dollar	52,208	65,881
	<u>\$ 55,412</u>	<u>\$ 68,753</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$554,000 Cdn (2015 - \$688,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's unlisted private equity, private debt and private equity investee fund investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Commercial & Professional Services	\$ 31,296	5.7 %	\$ 28,735	4.9 %
Food and Beverage	7,825	1.4 %	5,111	0.9 %
Total Direct Private Equity and Debt Investments	39,121	7.1 %	33,846	5.8 %
Total Unlisted Private Equity Investee Funds in diversified industries	508,299	92.9 %	554,624	94.2 %
	<u>\$ 547,420</u>	<u>100.0 %</u>	<u>\$ 588,470</u>	<u>100.0 %</u>

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Europe	\$ 26,668	4.9 %	\$ 30,182	5.2 %
Latin America	5,269	1.0 %	3,664	0.6 %
United States	7,184	1.3 %	-	- %
Total Direct Private Equity and Debt Investments	39,121	7.2 %	33,846	5.8 %
Total Unlisted Private Equity Investee Funds diversified globally	508,299	92.8 %	554,624	94.2 %
	<u>\$ 547,420</u>	<u>100.0 %</u>	<u>\$ 588,470</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$57,266,000 (2015 - \$62,243,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 73	\$ -	\$ 73
bclMC Money Market Funds	4,897	-	-	4,897
Direct Private Debt Investments	-	-	23,253	23,253
Direct Private Equity Investments	-	-	15,868	15,868
Public Equities	20,270	-	-	20,270
Unlisted Private Equity Investee Funds	-	-	508,299	508,299
Total Investments	\$ 25,167	\$ 73	\$ 547,420	\$ 572,660

  

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bclMC Money Market Funds	\$ 23,263	\$ -	\$ -	\$ 23,263
Direct Private Debt Investments	-	-	23,424	23,424
Direct Private Equity Investments	-	-	10,422	10,422
Public Equities	10,694	-	-	10,694
Unlisted Private Equity Investee Funds	-	-	554,624	554,624
Total Investments	\$ 33,957	\$ -	\$ 588,470	\$ 622,427

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

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

**Fair Value Hierarchy (continued)**

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

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

	2016			
	Direct Private Debt Investments	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 23,424	\$ 10,422	\$ 554,624	\$ 588,470
Total gains or (losses) recognized in profit or loss	(1,467)	5,446	(5,300)	(1,321)
Purchases	1,296	-	13,663	14,959
Sales	-	-	(54,688)	(54,688)
Balance, end of year	\$ 23,253	\$ 15,868	\$ 508,299	\$ 547,420

  

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (1,467)	\$ 5,445	\$ (14,561)	\$ (10,583)
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*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

	2015			
	Direct Private Debt Investments	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 61,762	\$ 33,075	\$ 645,147	\$ 739,984
Total gains or (losses) recognized in profit or loss	(20,053)	(18,400)	87,168	48,715
Purchases	1,258	-	15,083	16,341
Sales	(19,543)	(4,253)	(192,774)	(216,570)
Balance, end of year	<u>\$ 23,424</u>	<u>\$ 10,422</u>	<u>\$ 554,624</u>	<u>\$ 588,470</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (21,668)</u>	<u>\$ (21,003)</u>	<u>\$ (14,561)</u>	<u>\$ (57,232)</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 15,868	Market approach	EV / EBITDA	\$ 15,868	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt Investments	\$ 23,253	Market approach	EV / EBITDA	\$ 23,253	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 508,299	Unadjusted Net Asset Value	Net Asset Value	\$ 508,299	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 10,422	Market approach	EV / EBITDA	\$ 10,422	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt Investments	\$ 23,424	Market approach	EV / EBITDA	\$ 23,424	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 554,624	Unadjusted Net Asset Value	Net Asset Value	\$ 554,624	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

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

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 54,765	\$ 58,847
Unfavourable	\$ (54,765)	\$ (58,847)

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$572,515,000 (2015 - \$622,312,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 727,678	\$ 4,897
Unlisted private equity investee funds administered by third party managers	17	\$ 16,385,878	\$ 508,299

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2007 PRIVATE PLACEMENT FUND**

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

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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	\$ 2,935,771	\$ 23,263
Unlisted private equity investee funds administered by third party managers	17	\$ 4,516,448	\$ 554,624

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 670,119	\$ 898,673
<b>Liabilities</b>			
bclMC funds management fees payable	4	55	32
Other accounts payable		12	11
		<u>67</u>	<u>43</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 670,052</u>	<u>\$ 898,630</u>
<i>Number of redeemable units outstanding</i>	5	199.911	301.617
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 3,352</u>	<u>\$ 2,979</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 169,661	\$ 135,979
Net change in unrealized appreciation (depreciation)		(127,703)	148,617
Total revenue		<u>41,958</u>	<u>284,596</u>
<b>Expenses:</b>			
bclMC funds management fees	4	530	368
Administrative fees		20	19
Total operating expenses		<u>550</u>	<u>387</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>41,408</u>	<u>284,209</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(169,124)	(135,592)
		<u>(169,124)</u>	<u>(135,592)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<u>\$ (127,716)</u>	<u>\$ 148,617</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 898,630	\$ 855,856
Increase (decrease) in net assets attributable to holders of redeemable units	(127,716)	148,617
Redeemable unit transactions:		
Proceeds from units issued	4,823	8,441
Reinvestment of distributions	169,124	135,592
Amounts paid for units redeemed	(274,809)	(249,876)
Net decrease from redeemable unit transactions	(100,862)	(105,843)
<b>Balance, end of year</b>	<b>\$ 670,052</b>	<b>\$ 898,630</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (127,716)	\$ 148,617
Adjustments for:		
Net realized gain from investments	(169,661)	(135,979)
Net change in unrealized (appreciation) depreciation from investments	127,703	(148,617)
Non cash distributions	169,124	135,592
Proceeds from sale of investments	276,392	250,588
Amounts paid for purchase of investments	(5,880)	(8,772)
bcIMC funds management fees payable	23	5
Other accounts payable	1	1
	<u>269,986</u>	<u>241,435</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	4,823	8,441
Payments on redemption of redeemable units	(274,809)	(249,876)
	<u>(269,986)</u>	<u>(241,435)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 669,985	\$ 188,010	\$ 898,568	\$ 288,890
<b>Money Market Investments:</b>				
Units in bciMC Pooled Investment Portfolio				
Fund ST1	<u>134</u>	<u>134</u>	<u>105</u>	<u>105</u>
<b>Total Investments</b>	<u>\$ 670,119</u>	<u>\$ 188,144</u>	<u>\$ 898,673</u>	<u>\$ 288,995</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2008 Private Placement Fund.

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 125,377	18.7 %	\$ 257,300	28.6 %
Unlisted Private Equity Investee Funds	522,074	77.9 %	625,964	69.7 %
bclMC Money Market Funds	8,700	1.3 %	15,303	1.7 %
Cash	-	- %	1	- %
Net Investment-Related Receivables	13,834	2.1 %	-	- %
	<u>\$ 669,985</u>	<u>100.0 %</u>	<u>\$ 898,568</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment-Related Receivables	% of Total Net Assets	Net Investments and Investment-Related Receivables	% of Total Net Assets
Euro	\$ 279,017	41.6 %	\$ 486,956	54.2 %
United States Dollar	300,783	44.9 %	337,184	37.5 %
Net Exposure	<u>\$ 579,800</u>	<u>86.5 %</u>	<u>\$ 824,140</u>	<u>91.7 %</u>

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT FUND**

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

**Currency Risk (continued)**

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$5,798,000 Cdn (2015 - \$8,241,000 Cdn), representing 0.9% of the Fund's net assets (2015 - 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 22,266	\$ 43,200
United States Dollar	67,205	80,201
	<u>\$ 89,471</u>	<u>\$ 123,401</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$895,000 Cdn (2015 - \$1,234,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Commercial & Professional Services	\$ -	- %	\$ 127,312	14.4 %
Health Care Equipment & Services	43,128	6.7 %	38,966	4.4 %
Pharmaceuticals, Biotechnology & Life Sciences	31,003	4.8 %	32,348	3.7 %
Software & Services	51,246	7.9 %	58,674	6.6 %
Total Direct Private Equity Investments	125,377	19.4 %	257,300	29.1 %
Total Unlisted Private Equity Investee Funds in diversified industries	522,074	80.6 %	625,964	70.9 %
	<u>\$ 647,451</u>	<u>100.0 %</u>	<u>\$ 883,264</u>	<u>100.0 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT FUND**

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 51,246	8.0 %	\$ 185,986	21.0 %
United States	74,131	11.4 %	71,314	8.1 %
Total Direct Private Equity Investments	125,377	19.4 %	257,300	29.1 %
Total Unlisted Private Equity Investee Funds diversified globally	522,074	80.6 %	625,964	70.9 %
	<u>\$ 647,451</u>	<u>100.0 %</u>	<u>\$ 883,264</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$67,012,000 (2015 - \$89,867,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**Fair Value Hierarchy**

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

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

(in 000s)	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net Investment-Related Receivables	\$ -	\$ 13,834	\$ -	\$ 13,834
bclMC Money Market Funds	8,834	-	-	8,834
Direct Private Equity Investments	-	-	125,377	125,377
Unlisted Private Equity Investee Funds	-	-	522,074	522,074
Total Investments	<u>\$ 8,834</u>	<u>\$ 13,834</u>	<u>\$ 647,451</u>	<u>\$ 670,119</u>

(in 000s)	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash	\$ -	\$ 1	\$ -	\$ 1
bclMC Money Market Funds	15,408	-	-	15,408
Direct Private Equity Investments	-	-	257,300	257,300
Unlisted Private Equity Investee Funds	-	-	625,964	625,964
Total Investments	<u>\$ 15,408</u>	<u>\$ 1</u>	<u>\$ 883,264</u>	<u>\$ 898,673</u>

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

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

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

	2016		
	Direct Private	Unlisted Private Equity	
(in 000s)	Equity	Investee	
	Investments	Funds	Total
Balance, beginning of year	\$ 257,300	\$ 625,964	\$ 883,264
Total gains or (losses) recognized in profit or loss	(2,221)	14,515	12,294
Purchases	-	20,574	20,574
Sales	(129,702)	(138,979)	(268,681)
Balance, end of year	<u>\$ 125,377</u>	<u>\$ 522,074</u>	<u>\$ 647,451</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (94,335)</u>	<u>\$ (58,211)</u>	<u>\$ (152,546)</u>

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

**Fair Value Hierarchy (continued)**

	2015		
	Direct Private	Unlisted Private Equity	
(in 000s)	Equity	Investee	
	Investments	Funds	Total
Balance, beginning of year	\$ 187,972	\$ 642,979	\$ 830,951
Total gains or (losses) recognized in profit or loss	86,050	188,017	274,067
Purchases	-	26,787	26,787
Sales	(16,722)	(231,819)	(248,541)
Balance, end of year	<u>\$ 257,300</u>	<u>\$ 625,964</u>	<u>\$ 883,264</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 71,167</u>	<u>\$ 36,941</u>	<u>\$ 108,108</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds 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 Investments	\$ 125,377	Unadjusted Net Asset Value	Net Asset Value	\$ 125,377	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 486,067	Unadjusted Net Asset Value	Net Asset Value	\$ 486,067	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 36,007	Adjusted Net Asset Value	Net Asset Value  Fair Value Adjustment	\$ 18,585  \$ 17,422	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 127,312	Market Approach	EV / EBITDA	\$ 127,312	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 129,988	Unadjusted Net Asset Value	Net Asset Value	\$ 129,988	The estimated fair value would increase (decrease) if: - The fair value of private limited partnership funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 576,789	Unadjusted Net Asset Value	Net Asset Value	\$ 576,789	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 49,175	Adjusted Net Asset Value	Net Asset Value  Fair Value Adjustment	\$ 30,697  \$ 18,478	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

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

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Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:  
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:  
Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.
- The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.
- (iii) Fair value adjustment:  
Represents total adjustments applied to the net asset value of the investee funds. bclMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

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

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**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 64,745	\$ 88,326
Unfavourable	\$ (64,745)	\$ (88,326)

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2008 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$669,985,000 (2015 - \$898,568,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 8,834
Unlisted private equity investee funds administered by third party managers	14	\$ 27,892,623	\$ 522,074

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

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	2	\$ 2,935,771	\$ 15,408
Unlisted private equity investee funds administered by third party managers	14	\$ 24,583,482	\$ 625,964

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2009 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 615,679	\$ 630,763
<b>Liabilities</b>			
bclMC funds management fees payable	4	39	20
Other accounts payable		12	11
		<u>51</u>	<u>31</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 615,628</u>	<u>\$ 630,732</u>
<i>Number of redeemable units outstanding</i>	5	879,587	989,656
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 700</u>	<u>\$ 637</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ 1	\$ -
Foreign exchange gain		3	-
Change in fair value of investments:	8		
Net realized gain		45,761	25,368
Net change in unrealized appreciation		6,996	112,902
Total revenue		<u>52,761</u>	<u>138,270</u>
<b>Expenses:</b>			
bclMC funds management fees	4	378	229
External management fees		584	1,066
Administrative fees		20	19
Total operating expenses		<u>982</u>	<u>1,314</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>51,779</u>	<u>136,956</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(44,796)	(24,053)
		<u>(44,796)</u>	<u>(24,053)</u>
<b>Increase in net assets attributable to holders of redeemable units</b>		<u>\$ 6,983</u>	<u>\$ 112,903</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2009 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 630,732	\$ 491,222
Increase in net assets attributable to holders of redeemable units	6,983	112,903
Redeemable unit transactions:		
Proceeds from units issued	30,283	58,878
Reinvestment of distributions	44,796	24,053
Amounts paid for units redeemed	(97,166)	(56,324)
Net increase (decrease) from redeemable unit transactions	(22,087)	26,607
<b>Balance, end of year</b>	<b>\$ 615,628</b>	<b>\$ 630,732</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 6,983	\$ 112,903
Adjustments for:		
Effect of exchange rate changes on cash	(3)	-
Interest income	(1)	-
Net realized gain from investments	(45,761)	(25,368)
Net change in unrealized appreciation from investments	(6,996)	(112,902)
Non cash distributions	44,796	24,053
Proceeds from sale of investments	98,812	60,932
Amounts paid for purchase of investments	(30,971)	(62,179)
bclMC funds management fees payable	19	6
Other accounts payable	1	1
Interest received	1	-
	<u>66,880</u>	<u>(2,554)</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	30,283	58,878
Payments on redemption of redeemable units	(97,166)	(56,324)
	<u>(66,883)</u>	<u>2,554</u>
Net decrease in cash	(3)	-
Effect of exchange rate changes on cash	3	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2009 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 615,615	\$ 300,308	\$ 630,693	\$ 322,383
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>64</u>	<u>64</u>	<u>70</u>	<u>69</u>
<b>Total Investments</b>	<u>\$ 615,679</u>	<u>\$ 300,372</u>	<u>\$ 630,763</u>	<u>\$ 322,452</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2009 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2009 Private Placement Fund.

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 66,682	10.9 %	\$ 63,622	10.1 %
Unlisted Private Equity Investee Funds	546,206	88.7 %	553,943	87.8 %
bclMC Money Market Funds	1,332	0.2 %	13,128	2.1 %
Cash	(80)	- %	-	- %
Net Investment-Related Receivables	1,475	0.2 %	-	- %
	<u>\$ 615,615</u>	<u>100.0 %</u>	<u>\$ 630,693</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$614,202,000 Cdn which represents 99.8% of the net asset value of the Fund (2015 - \$630,676,000 Cdn which represented 100.0% of the net asset value of the Fund).

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2009 PRIVATE PLACEMENT FUND**

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

**Currency Risk (continued)**

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, respectively, by \$6,142,000 Cdn (2015 - \$6,307,000 Cdn), 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.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$69,935,000 Cdn (2015 - \$99,699,000 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$699,000 Cdn (2015 - \$997,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

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

**Other Price Risk**

The investments are held in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Health Care Equipment & Services	\$ 66,682	10.9 %	\$ 63,622	10.3 %
Total Unlisted Private Equity Investee Funds in diversified industries	546,206	89.1 %	553,943	89.7 %
	<u>\$ 612,888</u>	<u>100.0 %</u>	<u>\$ 617,565</u>	<u>100.0 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2009 PRIVATE PLACEMENT FUND**

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
United States	\$ 66,682	10.9 %	\$ 63,622	10.3 %
Total Unlisted Private Equity Investee Funds diversified globally	546,206	89.1 %	553,943	89.7 %
	<u>\$ 612,888</u>	<u>100.0 %</u>	<u>\$ 617,565</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$61,568,000 (2015 - \$63,076,000) or 10.0% (2015 – 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**Fair Value Hierarchy**

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

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

(in 000s)	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash	\$ -	\$ (80)	\$ -	\$ (80)
Net Investment-Related Receivables	-	1,475	-	1,475
bclMC Money Market Funds	1,396	-	-	1,396
Direct Private Equity Investments	-	-	66,682	66,682
Unlisted Private Equity Investee Funds	-	-	546,206	546,206
Total Investments	<u>\$ 1,396</u>	<u>\$ 1,395</u>	<u>\$ 612,888</u>	<u>\$ 615,679</u>

(in 000s)	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
bclMC Money Market Funds	\$ 13,198	\$ -	\$ -	\$ 13,198
Direct Private Equity Investments	-	-	63,622	63,622
Unlisted Private Equity Investee Funds	-	-	553,943	553,943
Total Investments	<u>\$ 13,198</u>	<u>\$ -</u>	<u>\$ 617,565</u>	<u>\$ 630,763</u>

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2009 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

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

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

	2016			
	Unlisted		Total	
	Direct Private Equity Investments	Private Equity Investee Funds		
(in 000s)				
Balance, beginning of year	\$ 63,622	\$ 553,943	\$	617,565
Total gains or (losses) recognized in profit or loss	3,059	21,013		24,072
Purchases	-	44,039		44,039
Sales	-	(72,790)		(72,790)
Balance, end of year	\$ 66,681	\$ 546,205	\$	612,886

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date

\$	3,059	\$	5,861	\$	8,920
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	2015			
	Unlisted		Total	
	Direct Private Equity Investments	Private Equity Investee Funds		
(in 000s)				
Balance, beginning of year	\$ 42,795	\$ 442,837	\$	485,632
Total gains or (losses) recognized in profit or loss	16,797	116,296		133,093
Purchases	4,030	70,409		74,439
Sales	-	(75,599)		(75,599)
Balance, end of year	\$ 63,622	\$ 553,943	\$	617,565

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date

\$	59,592	\$	33,797	\$	93,389
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During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 612,888	Unadjusted Net Asset Value	Net Asset Value	\$ 612,888	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 617,565	Unadjusted Net Asset Value	Net Asset Value	\$ 617,565	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

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

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Significant unobservable inputs are developed as follows:

(i) Enterprise Value (“EV”) and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

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

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**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 61,289	\$ 61,757
Unfavourable	\$ (61,289)	\$ (61,757)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2009 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$615,615,000 (2015 - \$630,693,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 1,396
Unlisted private equity investee funds administered by third party managers	10	\$ 38,793,321	\$ 546,206

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

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	2	\$ 2,935,771	\$ 13,198
Unlisted private equity investee funds administered by third party managers	10	\$ 35,604,859	\$ 553,943

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2010 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 425,237	\$ 412,311
<b>Liabilities</b>			
bclMC funds management fees payable	4	29	15
Other accounts payable		12	11
		<u>41</u>	<u>26</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 425,196</u>	<u>\$ 412,285</u>
<i>Number of redeemable units outstanding</i>	5	507.113	521.359
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 838</u>	<u>\$ 791</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments:	8		
Net realized gain		\$ 12,048	\$ 8,909
Net change in unrealized appreciation		11,214	77,587
Total revenue		<u>23,262</u>	<u>86,496</u>
<b>Expenses:</b>			
bclMC funds management fees	4	274	159
Administrative fees		20	19
Total operating expenses		<u>294</u>	<u>178</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>22,968</u>	<u>86,318</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		(11,766)	(8,731)
		<u>(11,766)</u>	<u>(8,731)</u>
<b>Increase in net assets attributable to holders of redeemable units</b>		<u>\$ 11,202</u>	<u>\$ 77,587</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2010 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 412,285	\$ 281,804
Increase in net assets attributable to holders of redeemable units	11,202	77,587
Redeemable unit transactions:		
Proceeds from units issued	33,130	79,374
Reinvestment of distributions	11,766	8,731
Amounts paid for units redeemed	(43,187)	(35,211)
Net increase from redeemable unit transactions	1,709	52,894
<b>Balance, end of year</b>	<b>\$ 425,196</b>	<b>\$ 412,285</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 11,202	\$ 77,587
Adjustments for:		
Net realized gain from investments	(12,048)	(8,909)
Net change in unrealized appreciation from investments	(11,214)	(77,587)
Non cash distributions	11,766	8,731
Proceeds from sale of investments	45,240	35,384
Amounts paid for purchase of investments	(34,904)	(79,375)
bcIMC funds management fees payable	14	5
Other accounts payable	1	1
	10,057	(44,163)
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	33,130	79,374
Payments on redemption of redeemable units	(43,187)	(35,211)
	(10,057)	44,163
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2010 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 425,164	\$ 262,283	\$ 412,292	\$ 260,625
<b>Money Market Investments:</b>				
Units in bciMC Pooled				
Investment Portfolio				
Fund ST1	<u>73</u>	<u>73</u>	<u>19</u>	<u>19</u>
<b>Total Investments</b>	<u>\$ 425,237</u>	<u>\$ 262,356</u>	<u>\$ 412,311</u>	<u>\$ 260,644</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2010 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2010 Private Placement Fund.

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

	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 424,890	99.9 %	\$ 394,482	95.7 %
bciMC Money Market Funds	26	- %	25	- %
Cash	-	- %	17,785	4.3 %
Net Investment-Related Receivables	248	0.1 %	-	- %
	<u>\$ 425,164</u>	<u>100.0 %</u>	<u>\$ 412,292</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment-Related Receivables	% of Total Net Assets	Net Investments and Investment-Related Receivables	% of Total Net Assets
Euro	\$ 193,014	45.4 %	\$ 190,078	46.1 %
United States Dollar	211,668	49.8 %	197,136	47.8 %
Net Exposure	<u>\$ 404,682</u>	<u>95.2 %</u>	<u>\$ 387,214</u>	<u>93.9 %</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)  
as at December 31

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$4,047,000 Cdn (2015 - \$3,872,000 Cdn), representing 1.0% of the Fund's net assets (2015 – 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 34,532	\$ 48,826
United States Dollar	39,774	61,440
	<u>\$ 74,306</u>	<u>\$ 110,266</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$743,000 Cdn (2015 - \$1,103,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Financial Risk Management Discussion (continued)  
as at December 31

Other Price Risk

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

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$42,524,000 (2015 - \$41,231,000) or 10.0% (2015 – 10.0%) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2010 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 248	\$ -	\$ 248
bclMC Money Market Funds	99	-	-	99
Unlisted Private Equity Investee Funds	-	-	424,890	424,890
Total Investments	\$ 99	\$ 248	\$ 424,890	\$ 425,237

  

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash	\$ -	\$ 17,785	\$ -	\$ 17,785
bclMC Money Market Funds	44	-	-	44
Unlisted Private Equity Investee Funds	-	-	394,482	394,482
Total Investments	\$ 44	\$ 17,785	\$ 394,482	\$ 412,311

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

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

**Fair Value Hierarchy (continued)**

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

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

	2016
	Unlisted Private Equity Investee Funds
(in 000s)	
Balance, beginning of year	\$ 394,482
Total gains or (losses) recognized in profit or loss	13,644
Purchases	50,087
Sales	(33,323)
Balance, end of year	\$ 424,890

  

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 3,821
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	2015
	Unlisted Private Equity Investee Funds
(in 000s)	
Balance, beginning of year	\$ 278,911
Total gains or (losses) recognized in profit or loss	80,165
Purchases	98,793
Sales	(63,387)
Balance, end of year	\$ 394,482

  

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 56,960
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During 2016 and 2015, there were no significant transfers into or out of Level 3.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2010 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

2016					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 424,890	Unadjusted Net Asset Value	Net Asset Value	\$ 424,890	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

  

2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 394,482	Unadjusted Net Asset Value	Net Asset Value	\$ 394,482	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

(in 000s)	2016	2015
Favourable	\$ 42,489	\$ 39,448
Unfavourable	\$ (42,489)	\$ (39,448)

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2010 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$425,164,000 (2015 - \$412,292,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 26
Unlisted private equity investee funds administered by third party managers	9	\$ 19,594,689	\$ 424,890

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

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	2	\$ 2,935,771	\$ 44
Unlisted private equity investee funds administered by third party managers	9	\$ 16,733,035	\$ 394,482

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2011 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 728,555	\$ 597,938
<b>Liabilities</b>			
bclMC funds management fees payable	4	47	22
Other accounts payable		12	11
		<u>59</u>	<u>33</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><b>\$ 728,496</b></u>	<u><b>\$ 597,905</b></u>
<i>Number of redeemable units outstanding</i>	5	671.332	579.192
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><b>\$ 1,085</b></u>	<u><b>\$ 1,032</b></u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments and derivatives:	8		
Net realized gain		\$ 9,851	\$ 7,492
Net change in unrealized appreciation		<u>33,378</u>	<u>132,098</u>
Total revenue		<u>43,229</u>	<u>139,590</u>
<b>Expenses:</b>			
bclMC funds management fees	4	446	244
Administrative fees		20	19
Total operating expenses		<u>466</u>	<u>263</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>42,763</u>	<u>139,327</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments and derivatives		<u>(9,398)</u>	<u>(6,955)</u>
		<u>(9,398)</u>	<u>(6,955)</u>
<b>Increase in net assets attributable to holders of redeemable units</b>		<u><b>\$ 33,365</b></u>	<u><b>\$ 132,372</b></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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2011 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 597,905	\$ 403,959
Increase in net assets attributable to holders of redeemable units	33,365	132,372
Redeemable unit transactions:		
Proceeds from units issued	130,625	100,111
Reinvestment of distributions	9,398	6,955
Amounts paid for units redeemed	(42,797)	(45,492)
Net increase from redeemable unit transactions	97,226	61,574
<b>Balance, end of year</b>	<b>\$ 728,496</b>	<b>\$ 597,905</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 33,365	\$ 132,372
Adjustments for:		
Net realized gain from investments and derivatives	(9,851)	(7,492)
Net change in unrealized appreciation from investments and derivatives	(33,378)	(132,098)
Non cash distributions	9,398	6,955
Proceeds from sale of investments	44,367	46,231
Amounts paid for purchase of investments	(131,755)	(100,596)
bclMC funds management fees payable	25	8
Other accounts payable	1	1
	(87,828)	(54,619)
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	130,625	100,111
Payments on redemption of redeemable units	(42,797)	(45,492)
	87,828	54,619
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2011 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 728,438	\$ 506,756	\$ 597,890	\$ 409,586
<b>Money Market Investments:</b>				
Units in bciMC Pooled Investment Portfolio				
Fund ST1	<u>117</u>	<u>117</u>	<u>48</u>	<u>48</u>
<b>Total Investments</b>	<u>\$ 728,555</u>	<u>\$ 506,873</u>	<u>\$ 597,938</u>	<u>\$ 409,634</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2011 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2011 Private Placement Fund.

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 5,939	0.8 %	\$ 3,248	0.5 %
Unlisted Private Equity Investee Funds	720,731	98.9 %	585,734	98.0 %
Foreign Currency Contracts	(3)	- %	-	- %
bclMC Money Market Funds	400	0.1 %	8,908	1.5 %
Net Investment-Related Receivables	1,371	0.2 %	-	- %
	<u>\$ 728,438</u>	<u>100.0 %</u>	<u>\$ 597,890</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

The Fund's remaining 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	3 months to 1 year
Outflows	\$ (697)	\$ (697)	\$ (697)	\$ -	\$ -
Inflows	694	694	694	-	-
	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk**

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2011 PRIVATE PLACEMENT FUND**

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

**Currency Risk**

As 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 (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Australian Dollar	\$ 23,783	3.3 %	\$ 18,628	3.1 %
Euro	358,673	49.2 %	258,767	43.3 %
United States Dollar	271,275	37.2 %	240,547	40.2 %
Net Exposure	<u>\$ 653,731</u>	<u>89.7 %</u>	<u>\$ 517,942</u>	<u>86.6 %</u>

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$6,537,000 Cdn (2015 - \$5,179,000 Cdn), representing 0.9% of the Fund's net assets (2015 - 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

**Currency Risk (continued)**

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

CURRENCY (Cdn 000s)	2016	2015
Australian Dollar	\$ 4,487	\$ 7,666
Euro	42,438	134,698
United States Dollar	<u>57,217</u>	<u>92,693</u>
	<u>\$ 104,142</u>	<u>\$ 235,057</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,041,000 Cdn (2015 - \$2,351,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**2011 PRIVATE PLACEMENT FUND**

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

**Other Price Risk (continued)**

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Energy	\$ 5,939	0.8 %	\$ 3,248	0.6 %
Total Unlisted Private Equity Investee Funds in diversified industries	720,731	99.2 %	585,734	99.4 %
	<u>\$ 726,670</u>	<u>100.0 %</u>	<u>\$ 588,982</u>	<u>100.0 %</u>

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Canada	\$ 5,939	0.8 %	\$ 3,248	0.6 %
Total Unlisted Private Equity Investee Funds in Canada	720,731	99.2 %	585,734	99.4 %
	<u>\$ 726,670</u>	<u>100.0 %</u>	<u>\$ 588,982</u>	<u>100.0 %</u>

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

**Other Price Risk (continued)**

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$72,856,000 (2015 - \$59,794,000) or 10.0% (2015 – 10.0%) of net assets attributable to redeemable units.

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2011 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 1,371	\$ -	\$ 1,371
bciMC Money Market Funds	517	-	-	517
Foreign Currency Contracts	-	(3)	-	(3)
Direct Private Equity Investments	-	-	5,939	5,939
Unlisted Private Equity Investee Funds	-	-	720,731	720,731
Total Investments	\$ 517	\$ 1,368	\$ 726,670	\$ 728,555

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bciMC Money Market Funds	\$ 8,956	\$ -	\$ -	\$ 8,956
Direct Private Equity Investments	-	-	3,248	3,248
Unlisted Private Equity Investee Funds	-	-	585,734	585,734
Total Investments	\$ 8,956	\$ -	\$ 588,982	\$ 597,938

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

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

**Fair Value Hierarchy (continued)**

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

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

	2016		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 3,248	\$ 585,734	\$ 588,982
Total gains or (losses) recognized in profit or loss	2,691	17,397	20,088
Purchases	-	161,302	161,302
Sales	-	(43,702)	(43,702)
Balance, end of year	\$ 5,939	\$ 720,731	\$ 726,670
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 2,691	\$ 10,768	\$ 13,459

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**2011 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

	2015			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
(in 000s)				
Balance, beginning of year	\$ 1,354	\$ 402,409	\$	403,763
Total gains or (losses) recognized in profit or loss	1,894	129,442		131,336
Purchases	-	146,265		146,265
Sales	-	(92,382)		(92,382)
Balance, end of year	<u>\$ 3,248</u>	<u>\$ 585,734</u>	<u>\$</u>	<u>588,982</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date				
	<u>\$ 1,894</u>	<u>\$ 77,492</u>	<u>\$</u>	<u>79,386</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 5,939	Unadjusted Net Asset Value	Net Asset Value	\$ 5,939	The estimated fair value would increase (decrease) if the fair value of the limited partnership was higher (lower).
Unlisted Private Equity Investee Funds	\$ 720,731	Unadjusted Net Asset Value	Net Asset Value	\$ 720,731	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

  

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 3,248	Market approach	EV/EBITDA	\$ 3,248	The estimated fair value would increase (decrease) if the EV / EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 585,734	Unadjusted Net Asset Value	Net Asset Value	\$ 585,734	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*

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ILLIQUID POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

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Fair Value Measurement Discussion (continued)  
as at December 31

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Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

(i) Enterprise Value (“EV”) and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

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Fair Value Measurement Discussion (continued)  
as at December 31

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Effects of Unobservable Input on Fair Value Measurement

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 72,667	\$ 58,898
Unfavourable	\$ (72,667)	\$ (58,898)



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**2011 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$728,438,000 (2015 - \$597,890,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 517
Unlisted private equity investee funds administered by third party managers	12	\$ 8,534,455	\$ 720,731

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

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	2	\$ 2,935,771	\$ 8,956
Unlisted private equity investee funds administered by third party managers	12	\$ 13,885,681	\$ 585,734

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2012 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 728,597	\$ 623,742
<b>Liabilities</b>			
bclMC funds management fees payable	4	40	20
Other accounts payable		12	11
		<u>52</u>	<u>31</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 728,545</u>	<u>\$ 623,711</u>
<i>Number of redeemable units outstanding</i>	5	3,107.155	2,985.765
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 234</u>	<u>\$ 209</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Change in fair value of investments and derivatives:	8		
Net realized gain		\$ 25,609	\$ 11,280
Net change in unrealized appreciation		<u>56,692</u>	<u>94,465</u>
Total revenue		<u>82,301</u>	<u>105,745</u>
<b>Expenses:</b>			
bclMC funds management fees	4	375	214
Administrative fees		20	19
Total operating expenses		<u>395</u>	<u>233</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>81,906</u>	<u>105,512</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments and derivatives		<u>(25,227)</u>	<u>(11,047)</u>
		<u>(25,227)</u>	<u>(11,047)</u>
<b>Increase in net assets attributable to holders of redeemable units</b>		<u>\$ 56,679</u>	<u>\$ 94,465</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2012 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 623,711	\$ 432,061
Increase in net assets attributable to holders of redeemable units	56,679	94,465
Redeemable unit transactions:		
Proceeds from units issued	109,345	137,646
Reinvestment of distributions	25,227	11,047
Amounts paid for units redeemed	(86,417)	(51,508)
Net increase from redeemable unit transactions	48,155	97,185
<b>Balance, end of year</b>	<b>\$ 728,545</b>	<b>\$ 623,711</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 56,679	\$ 94,465
Adjustments for:		
Net realized gain from investments and derivatives	(25,609)	(11,280)
Net change in unrealized appreciation from investments and derivatives	(56,692)	(94,465)
Non cash distributions	25,227	11,047
Proceeds from sale of investments	90,784	53,878
Amounts paid for purchase of investments	(113,338)	(139,792)
bcIMC funds management fees payable	20	8
Other accounts payable	1	1
	(22,928)	(86,138)
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	109,345	137,646
Payments on redemption of redeemable units	(86,417)	(51,508)
	22,928	86,138
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**2012 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 728,499	\$ 476,369	\$ 623,701	\$ 428,263
<b>Money Market Investments:</b>				
Units in bciMC Pooled				
Investment Portfolio				
Fund ST1	<u>98</u>	<u>98</u>	<u>41</u>	<u>41</u>
<b>Total Investments</b>	<u>\$ 728,597</u>	<u>\$ 476,467</u>	<u>\$ 623,742</u>	<u>\$ 428,304</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**2012 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2012 Private Placement Fund.

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 54,030	7.4 %	\$ 54,152	8.7 %
Unlisted Private Equity Investee Funds	669,338	91.9 %	568,042	91.1 %
Foreign Currency Contracts	(2)	- %	2	- %
bclMC Money Market Funds	4,866	0.7 %	1,505	0.2 %
Net Investment-Related Receivables	267	- %	-	- %
	<u>\$ 728,499</u>	<u>100.0 %</u>	<u>\$ 623,701</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

The Fund's remaining 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	3 months to 1 year
Outflows	\$ (441)	\$ (441)	\$ (441)	\$ -	\$ -
Inflows	439	439	439	-	-
	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>

DERIVATIVE LIABILITIES (in 000s)	2015				
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months	3 months to 1 year
Outflows	\$ (3,195)	\$ (3,195)	\$ (3,195)	\$ -	\$ -
Inflows	3,197	3,197	3,197	-	-
	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2012 PRIVATE PLACEMENT FUND**

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
British Pound Sterling	\$ 54,030	7.4 %	\$ 54,152	8.7 %
Euro	254,776	35.0 %	226,584	36.3 %
United States Dollar	380,841	52.3 %	327,075	52.4 %
Net Exposure	<u>\$ 689,647</u>	<u>94.7 %</u>	<u>\$ 607,811</u>	<u>97.5 %</u>

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

**Currency Risk (continued)**

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$6,896,000 Cdn (2015 - \$6,078,000 Cdn), representing 0.9% of the Fund's net assets (2015 – 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 31,424	\$ 60,269
United States Dollar	<u>237,132</u>	<u>301,723</u>
	<u>\$ 268,556</u>	<u>\$ 361,992</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$2,686,000 Cdn (2015 - \$3,620,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2012 PRIVATE PLACEMENT FUND**

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Software & Services	\$ 54,030	7.5 %	\$ 54,152	8.7 %
Total Unlisted Private Equity Investee Funds in diversified industries	669,338	92.5 %	568,042	91.3 %
	<u>\$ 723,368</u>	<u>100.0 %</u>	<u>\$ 622,194</u>	<u>100.0 %</u>

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Great Britain	\$ 54,030	7.5 %	\$ 54,152	8.7 %
Total Unlisted Private Equity Investee Funds diversified globally	669,338	92.5 %	568,042	91.3 %
	<u>\$ 723,368</u>	<u>100.0 %</u>	<u>\$ 622,194</u>	<u>100.0 %</u>

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

**Other Price Risk (continued)**

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$72,860,000 (2015 - \$62,374,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2012 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 267	\$ -	\$ 267
bciMC Money Market Funds	4,964	-	-	4,964
Foreign Currency Contracts	-	(2)	-	(2)
Direct Private Equity Investments	-	-	54,030	54,030
Unlisted Private Equity Investee Funds	-	-	669,338	669,338
Total Investments	\$ 4,964	\$ 265	\$ 723,368	\$ 728,597

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

**Fair Value Hierarchy (continued)**

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bciMC Money Market Funds	\$ 1,546	\$ -	\$ -	\$ 1,546
Foreign Currency Contracts	-	2	-	2
Direct Private Equity Investments	-	-	54,152	54,152
Unlisted Private Equity Investee Funds	-	-	568,042	568,042
Total Investments	\$ 1,546	\$ 2	\$ 622,194	\$ 623,742

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

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

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

	2016		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 54,152	\$ 568,042	\$ 622,194
Total gains or (losses) recognized in profit or loss	(122)	118,246	118,124
Purchases	-	(57,687)	(57,687)
Sales	-	40,737	40,737
Balance, end of year	\$ 54,030	\$ 669,338	\$ 723,368
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (122)	\$ 29,039	\$ 28,917

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2012 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

	2015		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 48,037	\$ 366,477	\$ 414,514
Total gains or (losses) recognized in profit or loss	6,115	98,724	104,839
Purchases	-	141,387	141,387
Sales	-	(38,546)	(38,546)
Balance, end of year	<u>\$ 54,152</u>	<u>\$ 568,042</u>	<u>\$ 622,194</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 6,115</u>	<u>\$ 75,359</u>	<u>\$ 81,474</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 54,030	Unadjusted Net Asset Value	Net Asset Value	\$ 54,030	The estimated fair value would increase (decrease) if the fair value of private limited partnership fund was higher (lower).
Unlisted Private Equity Investee Funds	\$ 669,338	Unadjusted Net Asset Value	Net Asset Value	\$ 699,338	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

  

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 54,152	Unadjusted Net Asset Value	Net Asset Value	\$ 54,152	The estimated fair value would increase (decrease) if the fair value of private limited partnership fund was higher (lower).
Unlisted Private Equity Investee Funds	\$ 568,042	Unadjusted Net Asset Value	Net Asset Value	\$ 568,042	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

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

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**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

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**Effects of Unobservable Input on Fair Value Measurement (continued)**

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

(in 000s)	2016	2015
Favourable	\$ 72,337	\$ 62,219
Unfavourable	\$ (72,337)	\$ (62,219)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2012 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$728,499,000 (2015 - \$623,701,000) is included within Private Equity Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 4,964
Unlisted private equity investee funds administered by third party managers	9	\$ 17,663,967	\$ 669,338

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

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	2	\$ 2,935,771	\$ 1,546
Unlisted private equity investee funds administered by third party managers	9	\$ 15,924,933	\$ 568,042

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 904,325	\$ 750,690
<b>Liabilities</b>			
bclMC funds management fees payable	4	46	20
Other accounts payable		12	11
		<u>58</u>	<u>31</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 904,267</u>	<u>\$ 750,659</u>
<i>Number of redeemable units outstanding</i>	5	353.346	326.791
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 2,559</u>	<u>\$ 2,297</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ -	\$ 1
Change in fair value of investments:	8		
Net realized gain		35,295	9,743
Net change in unrealized appreciation		<u>65,470</u>	<u>192,466</u>
Total revenue		<u>100,765</u>	<u>202,210</u>
<b>Expenses:</b>			
bclMC funds management fees	4	458	242
Administrative fees		20	19
Pursuit costs		-	1
Total operating expenses		<u>478</u>	<u>262</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>100,287</u>	<u>201,948</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments		<u>(34,829)</u>	<u>(9,481)</u>
		<u>(34,829)</u>	<u>(9,481)</u>
<b>Increase in net assets attributable to holders of redeemable units</b>		<u>\$ 65,458</u>	<u>\$ 192,467</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 750,659	\$ 418,535
Increase in net assets attributable to holders of redeemable units	65,458	192,467
Redeemable unit transactions:		
Proceeds from units issued	155,780	179,304
Reinvestment of distributions	34,829	9,481
Amounts paid for units redeemed	<u>(102,459)</u>	<u>(49,128)</u>
Net increase from redeemable unit transactions	<u>88,150</u>	<u>139,657</u>
<b>Balance, end of year</b>	<b><u>\$ 904,267</u></b>	<b><u>\$ 750,659</u></b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 65,458	\$ 192,467
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(35,295)	(9,743)
Net change in unrealized appreciation from investments	(65,470)	(192,466)
Non cash distributions	34,829	9,481
Proceeds from sale of investments	106,508	49,578
Amounts paid for purchase of investments	(159,378)	(179,501)
bclMC funds management fees payable	26	7
Other accounts payable	1	1
Interest received	-	1
	<u>(53,321)</u>	<u>(130,176)</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	155,780	179,304
Payments on redemption of redeemable units	<u>(102,459)</u>	<u>(49,128)</u>
	<u>53,321</u>	<u>130,176</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	<u>-</u>	<u>-</u>
<b>Cash, end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 904,205	\$ 518,419	\$ 750,614	\$ 430,298
<b>Money Market Investments:</b>				
Units in bciMC Pooled Investment Portfolio				
Fund ST1	<u>120</u>	<u>120</u>	<u>76</u>	<u>76</u>
<b>Total Investments</b>	<u>\$ 904,325</u>	<u>\$ 518,539</u>	<u>\$ 750,690</u>	<u>\$ 430,374</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2013 Private Placement Fund.

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 307,759	34.1 %	\$ 321,044	42.8 %
Direct Private Debt Investments	7,721	0.9 %	20,128	2.7 %
Unlisted Private Equity Investee Funds	588,096	65.0 %	404,150	53.8 %
bclMC Money Market Funds	405	- %	5,132	0.7 %
Net Investment-Related Receivables	224	- %	160	- %
	<u>\$ 904,205</u>	<u>100.0 %</u>	<u>\$ 750,614</u>	<u>100.0 %</u>

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

**Credit Risk**

The majority of the private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The maximum credit risk exposure is \$7,721,000 Cdn (2015 - \$20,128,000 Cdn).

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

	2016		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	<u>\$ 7,721</u>	<u>12%</u>	<u>2020</u>

	2015		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	<u>\$ 20,128</u>	<u>12%</u>	<u>2020</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

**Interest Rate Risk (continued)**

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

As at December 31, 2016 and 2015, the Fund had no other assets or liabilities which change in value as a result of changes in the interest rates.

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Australian Dollar	\$ 37,003	4.1 %	\$ 36,483	4.9 %
Euro	148,542	16.4 %	110,765	14.8 %
United States Dollar	707,842	78.3 %	570,071	75.9 %
Net Exposure	<u>\$ 893,387</u>	<u>98.8 %</u>	<u>\$ 717,319</u>	<u>95.6 %</u>

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

**Currency Risk (continued)**

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$8,934,000 Cdn (2015 - \$7,173,000 Cdn), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 139,501	\$ 174,163
United States Dollar	317,866	448,798
	<u>\$ 457,367</u>	<u>\$ 622,961</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$4,574,000 Cdn (2015 - \$6,230,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments, direct private debt investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Commercial & Professional Services	\$ 170,328	18.9 %	\$ 141,953	19.0 %
Consumer Services	88,645	9.8 %	130,420	17.5 %
Food and Beverage	37,003	4.1 %	36,483	4.9 %
Telecommunication Services	11,783	1.3 %	12,188	1.6 %
Transportation	7,721	0.9 %	20,128	2.7 %
Total Direct Private Equity and Debt Investments	315,480	35.0 %	341,172	45.7 %
Total Unlisted Private Equity Investee Funds in diversified industries	588,096	65.2 %	404,150	54.2 %
	<u>\$ 903,576</u>	<u>100.2 %</u>	<u>\$ 745,322</u>	<u>99.9 %</u>

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Canada	\$ 10,574	1.2 %	\$ 28,581	3.8 %
Europe	34,478	3.8 %	28,484	3.8 %
United States	233,425	25.8 %	247,624	33.2 %
Australia	37,003	4.1 %	36,483	4.9 %
Total Direct Private Equity and Debt Investments	315,480	34.9 %	341,172	45.7 %
Total Unlisted Private Equity Investee Funds diversified globally	588,096	65.1 %	404,150	54.2 %
	<u>\$ 903,576</u>	<u>100.0 %</u>	<u>\$ 745,322</u>	<u>99.9 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$90,433,000 (2015 - \$75,069,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 224	\$ -	\$ 224
bclMC Money Market Funds	525	-	-	525
Direct Private Equity Investments	-	-	307,759	307,759
Direct Private Debt Investments	-	-	7,721	7,721
Unlisted Private Equity Investee Funds	-	-	588,096	588,096
Total Investments	\$ 525	\$ 224	\$ 903,576	\$ 904,325

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 160	\$ -	\$ 160
bclMC Money Market Funds	5,208	-	-	5,208
Direct Private Equity Investments	-	-	321,044	321,044
Direct Private Debt Investments	-	-	20,128	20,128
Unlisted Private Equity Investee Funds	-	-	404,150	404,150
Total Investments	\$ 5,208	\$ 160	\$ 745,322	\$ 750,690

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

**Fair Value Hierarchy (continued)**

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

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

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

	2016			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 321,044	\$ 20,128	\$ 404,150	\$ 745,322
Total gains or (losses) recognized in profit or loss	3,097	(14,822)	53,439	41,714
Purchases	3,943	2,415	177,646	184,004
Sales	(20,325)	-	(47,139)	(67,464)
Balance, end of year	\$ 307,759	\$ 7,721	\$ 588,096	\$ 903,576
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (7,996)	\$ (14,822)	\$ 49,942	\$ 27,124

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

	2015			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of period	\$ 195,564	\$ 17,276	\$ 175,903	\$ 388,743
Total gains or (losses) recognized in profit or loss	130,948	142	66,677	197,767
Purchases	721	2,710	185,003	188,434
Sales	(6,189)	-	(23,433)	(29,622)
Balance, end of period	<u>\$ 321,044</u>	<u>\$ 20,128</u>	<u>\$ 404,150</u>	<u>\$ 745,322</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 126,516</u>	<u>\$ 142</u>	<u>\$ (51,012)</u>	<u>\$ 75,646</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Debt Investment	\$ 7,721	Market approach	EV / EBITDA	\$ 7,721	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 147,633	Market approach	EV / EBITDA	\$ 147,633	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 34,478	Adjusted Net Asset Value	Net Asset Value	\$ 18,381	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
			Fair Value Adjustment	\$ 16,097	
Direct Private Equity Investments	\$ 125,648	Unadjusted Net Asset Value	Net Asset Value	\$ 125,648	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Fund	\$ 588,096	Unadjusted Net Asset Value	Net Asset Value	\$ 588,096	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Debt Investment	\$ 20,128	Market approach	EV / EBITDA	\$ 20,128	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 125,657	Market approach	EV / EBITDA	\$ 125,657	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 28,484	Adjusted Net Asset Value	Net Asset Value  Fair Value Adjustment	\$ 19,616  \$ 8,868	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
Direct Private Equity Investments	\$ 166,903	Unadjusted Net Asset Value	Net Asset Value	\$ 166,903	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Fund	\$ 404,150	Unadjusted Net Asset Value	Net Asset Value	\$ 404,150	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:  
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:  
Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.  
  
The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.
- (iii) Fair value adjustment:  
Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 90,358	\$ 74,532
Unfavourable	\$ (90,358)	\$ (74,532)

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bcIMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$904,205,000 (2015 - \$750,614,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 525
Unlisted private equity investee funds administered by third party managers	9	\$ 20,533,858	\$ 588,096

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2013 PRIVATE PLACEMENT FUND**

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

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	2	\$ 2,935,771	\$ 5,208
Unlisted private equity investee funds administered by third party managers	9	\$ 30,856,206	\$ 404,150

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 572,619	\$ 316,448
<b>Liabilities</b>			
bclMC funds management fees payable	4	39	17
Other accounts payable		12	11
		<u>51</u>	<u>28</u>
<b>Net assets attributable to holders of redeemable units</b>		<u>\$ 572,568</u>	<u>\$ 316,420</u>
<i>Number of redeemable units outstanding</i>	5	12.142	7.669
<b>Net assets attributable to holders of redeemable units per unit</b>		<u>\$ 47,156</u>	<u>\$ 41,260</u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ -	\$ 2
Change in fair value of investments:	8		
Net realized gain		414	218
Net change in unrealized appreciation		<u>76,552</u>	<u>21,447</u>
Total revenue		<u>76,966</u>	<u>21,667</u>
<b>Expenses:</b>			
bclMC funds management fees	4	512	921
Administrative fees		20	21
Pursuit costs		-	136
Total operating expenses		<u>532</u>	<u>1,078</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>76,434</u>	<u>20,589</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
<b>Increase in net assets attributable to holders of redeemable units</b>		<u>\$ 76,434</u>	<u>\$ 20,589</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT 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	\$ 316,420	\$ 179,137
Increase in net assets attributable to holders of redeemable units	76,434	20,589
Redeemable unit transactions:		
Proceeds from units issued	182,871	119,492
Amounts paid for units redeemed	(3,157)	(2,798)
Net increase from redeemable unit transactions	179,714	116,694
<b>Balance, end of year</b>	<b>\$ 572,568</b>	<b>\$ 316,420</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 76,434	\$ 20,589
Adjustments for:		
Interest income	-	(2)
Net realized gain from investments	(414)	(218)
Net change in unrealized appreciation from investments	(76,552)	(21,447)
Proceeds from sale of investments	4,600	4,164
Amounts paid for purchase of investments	(183,805)	(119,494)
bcIMC funds management fees payable	22	(289)
Other accounts payable	1	1
Interest received	-	2
	(179,714)	(116,694)
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	182,871	119,492
Payments on redemption of redeemable units	(3,157)	(2,798)
	179,714	116,694
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 572,522	\$ 461,008	\$ 316,353	\$ 281,391
<b>Money Market Investments:</b>				
Units in bciMC Pooled Investment Portfolio				
Fund ST1	<u>97</u>	<u>97</u>	<u>95</u>	<u>95</u>
<b>Total Investments</b>	<u>\$ 572,619</u>	<u>\$ 461,105</u>	<u>\$ 316,448</u>	<u>\$ 281,486</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2014 Private Placement Fund.

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 217,016	37.9 %	\$ 177,754	56.2 %
Unlisted Private Equity Investee Funds	353,175	61.7 %	137,284	43.4 %
bciMC Money Market Funds	2,331	0.4 %	1,315	0.4 %
	<u>\$ 572,522</u>	<u>100.0 %</u>	<u>\$ 316,353</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments	% of Total Net Assets	Net Investments	% of Total Net Assets
Euro	\$ 81,228	14.2 %	\$ 37,675	11.9 %
United States Dollar	471,020	82.3 %	272,877	86.2 %
Net Exposure	<u>\$ 552,248</u>	<u>96.5 %</u>	<u>\$ 310,552</u>	<u>98.1 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT FUND**

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

**Currency Risk (continued)**

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$5,522,000 Cdn (2015 - \$3,106,000 Cdn), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 93,931	\$ 139,430
United States Dollar	671,630	844,867
	<u>\$ 765,561</u>	<u>\$ 984,297</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$7,656,000 Cdn (2015 - \$9,843,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Capital Goods	\$ 104,901	18.4 %	\$ 83,543	26.5 %
Commercial & Professional Services	36,288	6.4 %	37,543	11.9 %
Consumer Durables & Apparel	18,418	3.2 %	13,848	4.4 %
Health Care Equipment & Services	43,302	7.6 %	31,950	10.1 %
Technology Hardware & Equipment	14,107	2.5 %	10,870	3.5 %
Total Direct Private Equity Investments	217,016	38.1 %	177,754	56.4 %
Total Unlisted Private Equity Investee Funds in diversified industries	353,175	61.9 %	137,284	43.6 %
	<u>\$ 570,191</u>	<u>100.0 %</u>	<u>\$ 315,038</u>	<u>100.0%</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT FUND**

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 36,288	6.4 %	\$ 37,543	11.9 %
United States	180,728	31.7 %	140,211	44.5 %
Total Direct Private Equity Investments	217,016	38.1 %	177,754	56.4 %
Total Unlisted Private Equity Investee Funds diversified globally	353,175	61.9 %	137,284	43.6 %
	<u>\$ 570,191</u>	<u>100.0 %</u>	<u>\$ 315,038</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$57,262,000 (2015 - \$31,645,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units.

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

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

**Fair Value Hierarchy**

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

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

(in 000s)	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
bclMC Money Market Funds	\$ 2,428	\$ -	\$ -	\$ 2,428
Direct Private Equity Investments	-	-	217,016	217,016
Unlisted Private Equity Investee Funds	-	-	353,175	353,175
Total Investments	<u>\$ 2,428</u>	<u>\$ -</u>	<u>\$ 570,191</u>	<u>\$ 572,619</u>

(in 000s)	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
bclMC Money Market Funds	\$ 1,410	-	\$ -	\$ 1,410
Direct Private Equity Investments	-	-	177,754	177,754
Unlisted Private Equity Investee Funds	-	-	137,284	137,284
Total Investments	<u>\$ 1,410</u>	<u>\$ -</u>	<u>\$ 315,038</u>	<u>\$ 316,448</u>

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

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

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

	2016			
	Direct Private	Unlisted	Private Equity	
(in 000s)	Equity	Investee	Funds	Total
	Investments			
Balance, beginning of year	\$ 177,754	\$ 137,284	\$	315,038
Total gains or (losses) recognized in profit or loss	40,581	31,311		71,892
Purchases	97	195,231		195,328
Sales	(1,416)	(10,651)		(12,067)
Balance, end of year	<u>\$ 217,016</u>	<u>\$ 353,175</u>	<u>\$</u>	<u>570,191</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 40,326</u>	<u>\$ 30,286</u>	<u>\$</u>	<u>70,612</u>

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

**Fair Value Hierarchy (continued)**

	2015			
	Direct Private	Unlisted	Private Equity	
(in 000s)	Equity	Investee	Funds	Total
	Investments			
Balance, beginning of year	\$ 157,015	\$ 21,819	\$	178,834
Total gains or (losses) recognized in profit or loss	7,041	14,268		21,309
Purchases	14,426	105,469		119,895
Sales	(728)	(4,272)		(5,000)
Balance, end of year	<u>\$ 177,754</u>	<u>\$ 137,284</u>	<u>\$</u>	<u>315,038</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 7,032</u>	<u>\$ 13,959</u>	<u>\$</u>	<u>20,991</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT FUND**

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds 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 Investments	\$ 36,288	Market approach	EV / EBITDA	\$ 36,288	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 180,728	Unadjusted Net Asset Value	Net Asset Value	\$ 180,727	The estimated fair value would increase (decrease) if the fair value of private equity partnership funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 308,235	Unadjusted Net Asset Value	Net Asset Value	\$ 308,235	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Fund	\$ 44,940	Adjusted Net Asset Value	Net Asset Value	\$ 32,945	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$ 11,995	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

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

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 37,543	Market approach	EV / EBITDA	\$ 37,543	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 140,211	Unadjusted Net Asset Value	Net Asset Value	\$ 140,212	The estimated fair value would increase (decrease) if the fair value of private limited partnership funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 137,151	Unadjusted Net Asset Value	Net Asset Value	\$ 137,151	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 133	Adjusted Net Asset Value	Net Asset Value	\$ (1,873)	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment	\$ 2,006	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

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

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**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

Significant unobservable inputs are developed as follows:

(i) Enterprise Value (“EV”) and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

(iii) Fair value adjustment:

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

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

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**Effects of Unobservable Input on Fair Value Measurement**

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 570,191	\$ 31,504
Unfavourable	\$ (570,191)	\$ (31,504)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2014 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$572,522,000 (2015 - \$316,353,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 2,428
Unlisted private equity investee funds administered by third party managers	10	\$ 10,221,141	\$ 353,175

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

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	2	\$ 2,935,771	\$ 1,410
Unlisted private equity investee funds administered by third party managers	10	\$ 3,936,017	\$ 137,284

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT FUND**

<b>Statement of Financial Position</b> (all amounts in thousands except number of units)			
	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Investments		\$ 721,275	\$ 478,163
<b>Liabilities</b>			
bclMC funds management fees payable	4	43	452
Other accounts payable		12	11
		55	463
<b>Net assets attributable to holders of redeemable units</b>		<b>\$ 721,220</b>	<b>\$ 477,700</b>
<i>Number of redeemable units outstanding</i>	5	627.129	512.415
<b>Net assets attributable to holders of redeemable units per unit</b>		<b>\$ 1,150</b>	<b>\$ 932</b>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

[S] Gordon J. Fyfe

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

<b>Statement of Comprehensive Income</b> (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Period Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ 1	\$ 4
Change in fair value of investments and derivatives:	8		
Net realized gain		15,759	214
Net change in unrealized appreciation		122,337	61,752
Total revenue		138,097	61,970
<b>Expenses:</b>			
bclMC funds management fees	4	651	4,302
Administrative fees		20	18
Pursuit costs		89	2,435
Total operating expenses		760	6,755
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		137,337	55,215
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments and derivatives		(8,476)	-
		(8,476)	-
<b>Increase in net assets attributable to holders of redeemable units</b>		<b>\$ 128,861</b>	<b>\$ 55,215</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT FUND**

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

	Year Ended December 31, 2016	Period Ended December 31, 2015
Balance, beginning of period	\$ 477,700	\$ -
Increase in net assets attributable to holders of redeemable units	128,861	55,215
Redeemable unit transactions:		
Proceeds from units issued	257,605	426,784
Reinvestment of distributions	8,476	-
Amounts paid for units redeemed	<u>(151,422)</u>	<u>(4,299)</u>
Net increase from redeemable unit transactions	<u>114,659</u>	<u>422,485</u>
<b>Balance, end of period</b>	<b><u>\$ 721,220</u></b>	<b><u>\$ 477,700</u></b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Period Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 128,861	\$ 55,215
Adjustments for:		
Interest income	(1)	(4)
Net realized gain from investments and derivatives	(15,759)	(214)
Net change in unrealized appreciation from investments and derivatives	(122,337)	(61,752)
Non cash distributions	8,476	-
Proceeds from sale of investments	153,286	10,685
Amounts paid for purchase of investments	(258,302)	(426,882)
bcIMC funds management fees payable	(409)	452
Other accounts payable	1	11
Interest received	<u>1</u>	<u>4</u>
	<u>(106,183)</u>	<u>(422,485)</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	257,605	426,784
Payments on redemption of redeemable units	<u>(151,422)</u>	<u>(4,299)</u>
	<u>106,183</u>	<u>422,485</u>
Net increase (decrease) in cash	-	-
Cash, beginning of period	<u>-</u>	<u>-</u>
<b>Cash, end of period</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 721,166	\$ 537,077	\$ 477,253	\$ 415,502
<b>Money Market Investments:</b>				
Units in bcIMC Pooled Investment Portfolio				
Fund ST1	<u>109</u>	<u>109</u>	<u>910</u>	<u>909</u>
<b>Total Investments</b>	<u>\$ 721,275</u>	<u>\$ 537,186</u>	<u>\$ 478,163</u>	<u>\$ 416,411</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2015 Private Placement Fund.

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

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 324,230	45.0 %	\$ 360,074	75.5 %
Unlisted Private Equity Investee Funds	395,204	54.8 %	113,779	23.8 %
Foreign Currency Contracts	(5)	- %	(70)	- %
bclMC Money Market Funds	32	- %	3,470	0.7 %
Net Investment-Related Receivables	1,705	0.2 %	-	- %
	<u>\$ 721,166</u>	<u>100.0 %</u>	<u>\$ 477,253</u>	<u>100.0 %</u>

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

**Credit Risk**

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

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

**Liquidity Risk**

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

The Fund's remaining 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	3 months to 1 year
Outflows	\$ (1,130)	\$ (1,130)	\$ (1,130)	\$ -	\$ -
Inflows	1,125	1,125	1,125	-	-
	<u>\$ (5)</u>	<u>\$ (5)</u>	<u>\$ (5)</u>	<u>\$ -</u>	<u>\$ -</u>

DERIVATIVE LIABILITIES (in 000s)	2015				
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months	3 months to 1 year
Outflows	\$ (8,843)	\$ (8,843)	\$ (8,843)	\$ -	\$ -
Inflows	8,773	8,773	8,773	-	-
	<u>\$ (70)</u>	<u>\$ (70)</u>	<u>\$ (70)</u>	<u>\$ -</u>	<u>\$ -</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT FUND**

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

**Interest Rate Risk**

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

**Currency Risk**

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

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment-		Net Investments and Investment-	
	Related Receivables	% of Total Net Assets	Related Receivables	% of Total Net Assets
Euro	\$ 172,081	23.9 %	\$ 107,423	22.5 %
United States Dollar	527,201	73.1 %	376,681	78.9 %
Net Exposure	<u>\$ 699,282</u>	<u>97.0 %</u>	<u>\$ 484,104</u>	<u>101.3 %</u>

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

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

**Currency Risk (continued)**

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$6,993,000 Cdn (2015 - \$4,841,000 Cdn), representing 1.0% of the Fund's net assets (2015 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 170,421	\$ 233,312
United States Dollar	686,797	890,118
	<u>\$ 857,218</u>	<u>\$ 1,123,430</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$8,572,000 Cdn (2015 - \$11,234,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT FUND**

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

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Food and Beverage	\$ 57,973	8.1 %	\$ 53,592	11.3 %
Software & Services	266,257	37.0 %	306,482	64.7 %
Total Direct Private Equity Investments	324,230	45.1 %	360,074	76.0 %
Total Unlisted Private Equity Investee Funds in diversified industries	395,204	54.9 %	113,779	24.0 %
	<u>\$ 719,434</u>	<u>100.0 %</u>	<u>\$ 473,853</u>	<u>100.0 %</u>

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

**Other Price Risk (continued)**

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

GEOGRAPHIC REGION (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 57,973	8.1 %	\$ 53,592	11.3 %
United States	266,257	37.0 %	306,482	64.7 %
Total Direct Private Equity Investments	324,230	45.1 %	360,074	76.0 %
Total Unlisted Private Equity Investee Funds diversified globally	395,204	54.9 %	113,779	24.0 %
	<u>\$ 719,434</u>	<u>100.0 %</u>	<u>\$ 473,853</u>	<u>100.0 %</u>

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

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$72,128,000 (2015 - \$47,816,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units.

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

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy**

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

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

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 1,705	\$ -	\$ 1,705
bciMC Money Market Funds	141	-	-	141
Foreign Currency Contracts	-	(5)	-	(5)
Direct Private Equity Investments	-	-	324,230	324,230
Unlisted Private Equity Investee Funds	-	-	395,204	395,204
Total Investments	<u>\$ 141</u>	<u>\$ 1,700</u>	<u>\$ 719,434</u>	<u>\$ 721,275</u>

  

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bciMC Money Market Funds	4,380	-	-	4,380
Foreign Currency Contracts	\$ -	(70)	\$ -	\$ (70)
Direct Private Equity Investments	-	-	360,074	360,074
Unlisted Private Equity Investee Funds	-	-	113,779	113,779
Total Investments	<u>\$ 4,380</u>	<u>\$ (70)</u>	<u>\$ 473,853</u>	<u>\$ 478,163</u>

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

*See accompanying Notes to the Financial Statements.*

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

**Fair Value Hierarchy (continued)**

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

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

	2016		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 360,074	\$ 113,779	\$ 473,853
Total gains or (losses) recognized in profit or loss	90,642	43,472	134,114
Purchases	42,330	277,274	319,604
Sales	(168,816)	(39,320)	(208,136)
Balance, end of year	<u>\$ 324,230</u>	<u>\$ 395,205</u>	<u>\$ 719,435</u>

  

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (9,656)</u>	<u>\$ 42,548</u>	<u>\$ 32,892</u>
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BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT FUND**

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

**Fair Value Hierarchy (continued)**

	2015		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of period	\$ -	\$ -	\$ -
Total gains or (losses) recognized in profit or loss	57,813	5,607	63,420
Purchases	302,261	116,451	418,712
Sales	-	(8,279)	(8,279)
Balance, end of period	<u>\$ 360,074</u>	<u>\$ 113,779</u>	<u>\$ 473,853</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 57,813</u>	<u>\$ 5,354</u>	<u>\$ 63,167</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

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

**Significant Unobservable Inputs Used in Measuring Fair Value**

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

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 324,230	Market approach	EV / EBITDA	\$ 324,230	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 395,204	Unadjusted Net Asset Value	Net Asset Value	\$ 395,204	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

  

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 360,074	Market approach	EV / EBITDA	\$ 360,074	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 113,779	Unadjusted Net Asset Value	Net Asset Value	\$ 113,779	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

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Fair Value Measurement Discussion (continued)  
as at December 31

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Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

(i) Enterprise Value (“EV”) and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

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

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Fair Value Measurement Discussion (continued)  
as at December 31

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Effects of Unobservable Input on Fair Value Measurement

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

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

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

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

(in 000s)	2016	2015
Favourable	\$ 71,943	\$ 47,385
Unfavourable	\$ (71,943)	\$ (47,385)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2015 PRIVATE PLACEMENT FUND**

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

The Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$721,166,000 (2015 - \$477,253,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 785,646	\$ 141
Unlisted private equity investee funds administered by third party managers	10	\$ 9,256,353	\$ 395,204

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

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	2	\$ 2,935,771	\$ 4,380
Unlisted private equity investee funds administered by third party managers	8	\$ 2,455,990	\$ 113,779

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT FUND**

**Statement of Financial Position**  
(all amounts in thousands except number of units)

	Note	December 31, 2016 (note 1)
<b>Assets</b>		
Investments		<u>\$ 322,403</u>
<b>Liabilities</b>		
bclMC funds management fees payable	4	762
Other accounts payable		<u>12</u>
		<u>774</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><u>\$ 321,629</u></u>
<i>Number of redeemable units outstanding</i>	5	952.729
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><u>\$ 338</u></u>
<i>Contingent liability</i>	6	
<i>Unfunded committed capital</i>	7	

**Statement of Comprehensive Income**  
(all amounts in thousands)

	Note	Period Ended December 31, 2016 (note 1)
<b>Revenue:</b>		
Interest income		\$ 7
Change in fair value of investments:	8	
Net change in unrealized depreciation		<u>(10,359)</u>
Total revenue		<u>(10,352)</u>
<b>Expenses:</b>		
bclMC funds management fees	4	7,605
Administrative fees		21
Pursuit costs		<u>640</u>
Total operating expenses		<u>8,266</u>
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(18,618)</u>
Distributions to holders of redeemable units:		
From net investment income		<u>-</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u><u>\$ (18,618)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT 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	\$ -
Decrease in net assets attributable to holders of redeemable units	(18,618)
Redeemable unit transactions:	
Proceeds from units issued	340,247
Amounts paid for units redeemed	-
Net increase from redeemable unit transactions	340,247
<b>Balance, end of period</b>	<b>\$ 321,629</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Period Ended December 31, 2016 <i>(note 1)</i>
<b>Operating activities:</b>	
Decrease in net assets attributable to holders of redeemable units	\$ (18,618)
Adjustments for:	
Interest income	(7)
Net change in unrealized depreciation from investments	10,359
Proceeds from sale of investments	7,494
Amounts paid for purchase of investments	(340,256)
bcIMC funds management fees payable	762
Other accounts payable	12
Interest received	7
	<u>(340,247)</u>
<b>Financing activities:</b>	
Proceeds from issue of redeemable units	340,247
	<u>340,247</u>
Net increase (decrease) in cash	-
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT FUND**

**Schedule of Investments**

as at December 31

(all amounts in thousands)

	2016	
	<u>Fair Value</u>	<u>Cost</u>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 320,392	\$ 330,751
<b>Money Market Investments:</b>		
Units in bciMC Pooled Investment Portfolio		
Fund ST1	<u>2,011</u>	<u>2,011</u>
<b>Total Investments</b>	<u>\$ 322,403</u>	<u>\$ 332,762</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT FUND**

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2016 Private Placement Fund.

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

	2016	
	Total	% of Total
Direct Private Equity Investments	\$ 216,165	67.5 %
Unlisted Private Equity Investee Funds	104,215	32.5 %
bclMC Money Market Funds	12	- %
	<u>\$ 320,392</u>	<u>100.0 %</u>

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

**Credit Risk**

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Liquidity Risk**

The Fund's financial assets include unlisted investments in private equity investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)  
as at December 31**

**Interest Rate Risk**

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

**Currency Risk**

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2016	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 3,172	1.0 %
United States Dollar	317,211	98.6 %
Net Exposure	<u>\$ 320,383</u>	<u>99.6 %</u>

The previous table identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT FUND**

**Financial Risk Management Discussion (continued)  
as at December 31**

**Currency Risk (continued)**

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$3,204,000 Cdn, representing 1.0% of the Fund's net assets. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2016
Euro	\$ 582,017
United States Dollar	2,492,421
	<u>\$ 3,074,438</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$30,744,000 Cdn. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

**Financial Risk Management Discussion (continued)  
as at December 31**

**Other Price Risk**

The investments are held directly, in limited partnerships and in fund of fund investment portfolios and include shares, bonds, and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees. The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016	
	Total	% of Total
Direct Private Equity Investments:		
Commercial and professional services	\$ 34,007	10.6 %
Capital Goods	54,685	17.1 %
Transportation infrastructure	127,473	39.8 %
Total Direct Private Equity Investments	216,165	67.5 %
Total Unlisted Private Equity Investee Funds in diversified industries	104,215	32.5 %
	<u>\$ 320,380</u>	<u>100.0 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT FUND**

**Financial Risk Management Discussion (continued)  
as at December 31**

**Other Price Risk (continued)**

The Fund's direct private equity investments and unlisted private equity investee funds are concentrated in the following geographic regions:

GEOGRAPHIC REGION  
(in 000s)

	2016	
	Total	% of Total
Direct Private Equity Investments:		
Europe	\$ 34,007	10.6 %
United States	127,473	39.8 %
Asia	54,685	17.1 %
Total Direct Private Equity Investments	216,165	67.5 %
Total Unlisted Private Equity Investee Funds diversified globally	104,215	32.5 %
	<u>\$ 320,380</u>	<u>100.0 %</u>

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bclMC does not believe this information would be meaningful.

As at December 31, 2016, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$32,240,000 or 10.0% of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at December 31**

**Fair Value Hierarchy**

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bclMC Money Market Funds	\$ 2,023	\$ -	\$ -	\$ 2,023
Direct Private Equity Investments	-	-	216,165	216,165
Unlisted Private Equity Investee Funds	-	-	104,215	104,215
Total Investments	<u>\$ 2,023</u>	<u>\$ -</u>	<u>\$ 320,380</u>	<u>\$ 322,403</u>

During 2016, there were no significant transfers between Level 1 and Level 2.



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT FUND**

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Fair Value Hierarchy (continued)**

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2016		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of period	\$ -	\$ -	\$ -
Total gains or (losses) recognized in profit or loss	(4,593)	(6,484)	(11,077)
Purchases	220,758	110,699	331,457
Sales	-	-	-
Balance, end of period	<u>\$ 216,165</u>	<u>\$ 104,215</u>	<u>\$ 320,380</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (4,593)</u>	<u>\$ (6,484)</u>	<u>\$ (11,077)</u>

During 2016, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, unlisted direct private debt, unlisted private equity investee funds and debt issued categorized as Level 3 in the fair value hierarchy as at December 31:

	2016			
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range
Direct Private Equity Investments	\$ 216,165	Market approach	EV / EBITDA	\$ 216,165
				The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 104,215	Unadjusted Net Asset Value	Net Asset Value	\$ 104,215
				The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

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Fair Value Measurement Discussion (continued)  
as at December 31

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Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

(i) Enterprise Value (“EV”) and EBITDA multiples:

EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.

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Fair Value Measurement Discussion (continued)  
as at December 31

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Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity investments, bclMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds and direct private equity investments were calculated by adjusting the respective underlying investee fund's net assets, value of private equity and debt by 10%.

(in 000s)		2016
Favourable	\$	32,439
Unfavourable	\$	(32,439)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT FUND**

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**Involvement with Structured Entities  
as at December 31**

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The Fund's investments are held primarily through five intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$320,392,000, is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 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	\$ 785,646	\$ 2,023
Unlisted private equity investee funds administered by third party managers	6	\$ 483,013	\$ 104,215

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 PRIVATE PLACEMENT FUND**

**Involvement with Subsidiaries and Associates  
as at December 31**

The Fund holds through intermediary holding corporations the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at FVTPL. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates:

December 31, 2016

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Hayfin Sapphire LP	European credit platform specializing in sourcing, structuring, and managing European private debt instruments.	Common shares	Subsidiary	Europe	England	92.30%	92.30%	\$ 34,007
Pilot Air Freight LLC and Subsidiaries	Operates as a manager and/or coordinator of logistics transportation services.	Common shares	Associate	U.S.	U.S.	41.90%	41.90%	\$ 127,474

During 2016, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any restrictions.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Cash		\$ 10	\$ -
Investments		<u>5,740,399</u>	<u>4,380,697</u>
<b>Liabilities</b>			
bclMC funds management fees payable	4	304	494
Other accounts payable		<u>17</u>	<u>11</u>
		<u>321</u>	<u>505</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><b>\$ 5,740,088</b></u>	<u><b>\$ 4,380,192</b></u>
<i>Number of redeemable units outstanding</i>	5	2,946.145	2,162.722
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><b>\$ 1,948</b></u>	<u><b>\$ 2,025</b></u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ (5,241)	\$ (5,177)
Dividend income		505,534	235,009
Foreign exchange gain		19	-
Change in fair value of investments:	8		
Net realized loss		(3,772)	(3,443)
Net change in unrealized appreciation (depreciation)		<u>(93,603)</u>	<u>384,440</u>
Total revenue		<u>402,937</u>	<u>610,829</u>
<b>Expenses:</b>			
bclMC funds management fees	4	3,361	5,534
Administrative fees		88	140
Pursuit costs		736	1,947
Withholding taxes		<u>1,772</u>	<u>1,595</u>
Total operating expenses		<u>5,957</u>	<u>9,216</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>396,980</u>	<u>601,613</u>
Distributions to holders of redeemable units:			
From net investment income		(496,575)	(230,213)
Return of Capital		<u>(23,266)</u>	<u>(17,362)</u>
		<u>(519,841)</u>	<u>(247,575)</u>
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<u><b>\$ (122,861)</b></u>	<u><b>\$ 354,038</b></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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 4,380,192	\$ 3,740,466
Increase (decrease) in net assets attributable to holders of redeemable units	(122,861)	354,038
Redeemable unit transactions:		
Proceeds from units issued	1,482,757	285,688
Amounts paid for units redeemed	-	-
Net increase from redeemable unit transactions	1,482,757	285,688
<b>Balance, end of year</b>	<b>\$ 5,740,088</b>	<b>\$ 4,380,192</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (122,861)	\$ 354,038
Adjustments for:		
Effect of exchange rate changes on cash	(19)	-
Interest income	5,241	5,177
Dividend income	(505,534)	(235,009)
Withholding taxes	1,772	1,595
Net realized loss from investments	3,772	3,443
Net change in unrealized (appreciation) depreciation from investments	93,603	(384,440)
Non cash distributions	519,841	247,575
Proceeds from sale of investments	399,357	31,441
Amounts paid for purchase of investments	(1,856,434)	(290,313)
bcIMC funds management fees payable	(190)	151
Other accounts payable	6	(8)
Interest received	(5,241)	(5,177)
Dividends received	505,534	235,009
Withholding taxes paid	(1,772)	(1,595)
	<u>(962,925)</u>	<u>(38,113)</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	1,482,757	285,688
Distributions paid to holders of redeemable units	(519,841)	(247,575)
	<u>962,916</u>	<u>38,113</u>
Net decrease in cash	(9)	-
Effect of exchange rate changes on cash	19	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ 10</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP 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>
<b>Private Equity Investments<sup>1</sup>:</b>	\$ 5,740,387	\$ 4,936,501	\$ 4,379,715	\$ 3,482,225
<b>Money Market Investments:</b>				
Units in bciMC Pooled				
Investment Portfolio				
Fund ST1	10	10	980	981
Fund ST3	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>
	<u>12</u>	<u>11</u>	<u>982</u>	<u>982</u>
<b>Total Investments</b>	<u>\$ 5,740,399</u>	<u>\$ 4,936,512</u>	<u>\$ 4,380,697</u>	<u>\$ 3,483,207</u>

<sup>1</sup> The private equity investments are held through private corporations and limited partnerships.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Financial Risk Management Discussion  
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Infrastructure Funds are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Strategic Inv 100 Foreign PP Fund.

The Fund holds its private equity and debt investments through private corporations and limited partnerships. The private corporations, limited partnerships and pooled investment portfolio hold the following net assets:

(in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 3,762,386	65.7 %	\$ 2,614,652	59.7 %
Direct Private Debt Investments	461,740	8.0 %	483,603	11.0 %
Unlisted Private Equity Investee Funds	1,459,624	25.4 %	1,248,190	28.5 %
bciMC Money Market Funds	65,367	1.1 %	55,001	1.3 %
Debt Issued	(43,921)	(0.8)%	(66,748)	(1.5)%
Cash	-	- %	241	- %
Net Investment-Related Receivables	35,191	0.6 %	44,776	1.0 %
	<u>\$ 5,740,387</u>	<u>100.0 %</u>	<u>\$ 4,379,715</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and limited partnerships and their investing activities have been considered.

**Credit Risk**

The majority of the private debt investments are in closely held private companies where the Fund has a significant ownership percentage. Due to the private nature of the debt, it is not subject to rating by a rating agency. The maximum credit risk exposure is \$461,740,000 Cdn (2015 - \$483,603,000 Cdn).

**Financial Risk Management Discussion (continued)  
as at December 31**

**Liquidity Risk**

The Fund's financial assets include unlisted equity and debt investments, which are generally illiquid. In addition, the Fund holds investments in private equity investee funds. As a result, the Fund may not be able to liquidate some of its investments in these instruments in time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's remaining non-derivative liabilities are due within three months of the year-end of the Fund.

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Interest Rate Risk**

The Fund holds debt investments in conjunction with equity investments in several private companies. As at December 31, the Fund invested in the following debt instruments:

	2016		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 461,740	8.51% to 11.00%	2019 to 2029

  

	2015		
	Carrying Value (in 000s)	Interest Rate	Maturity Date
Fixed-rate debt	\$ 483,603	8.51% to 11.00%	2019 to 2029



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Financial Risk Management Discussion (continued)  
as at December 31**

**Interest Rate Risk (continued)**

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2016 and 2015, the Fund had no other assets or liabilities which change in value as a result of changes in the interest rates.

**Currency Risk**

At the reporting date, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY (Cdn 000s)	2016		2015	
	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment- Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 415,691	7.2 %	\$ 64,660	1.5 %
British Pound Sterling	544,261	9.5 %	534,159	12.2 %
Euro	902,254	15.7 %	896,441	20.5 %
United States Dollar	3,435,817	59.9 %	2,472,822	56.5 %
Net Exposure	<u>\$ 5,298,023</u>	<u>92.3 %</u>	<u>\$ 3,968,082</u>	<u>90.6 %</u>

**Financial Risk Management Discussion (continued)  
as at December 31**

**Currency Risk (continued)**

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying direct private equity, direct private debt and unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies. Refer to the Geographic Region breakdown provided under Other Price Risk for further information on the jurisdictions in which the investments are located.

As at December 31, 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 \$52,980,000 Cdn (2015 - \$39,681,000 Cdn), representing 0.9 percent of the Fund's net assets (2015 – 0.9 percent). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Other Price Risk section provides additional disclosure on several investments denominated in United States dollars and domiciled in different jurisdictions.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**STRATEGIC INV 100 FOREIGN PP FUND**

**Financial Risk Management Discussion (continued)  
as at December 31**

**Currency Risk (continued)**

As at December 31, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (Cdn 000s)	2016	2015
Euro	\$ 14,184	\$ 50,114
United States Dollar	246,545	1,417,223
	<u>\$ 260,729</u>	<u>\$ 1,467,337</u>

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, future unfunded commitments would have decreased/increased by \$2,607,000 Cdn (2015 - \$14,673,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

**Other Price Risk**

The investments are concentrated in the power, utility and energy infrastructure sectors in Canada, Chile, Europe, the United States, and United Kingdom. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

**Financial Risk Management Discussion (continued)  
as at December 31**

**Other Price Risk (continued)**

The Fund's unlisted private equity, private debt and private equity investee fund investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Coal infrastructure	\$ 64,530	1.1 %	\$ 64,660	1.5 %
Diversified infrastructure	165,985	2.9 %	134,712	3.1 %
Electricity transmission infrastructure	1,680,770	29.6 %	806,766	18.6 %
Gas transmission infrastructure	432,601	7.6 %	453,749	10.4 %
Oil transmission and storage infrastructure	199,149	3.5 %	190,925	4.4 %
Transportation infrastructure	613,178	10.8 %	238,168	5.5 %
Water, wastewater and sewage infrastructure	1,067,913	18.8 %	1,209,275	27.8 %
Total Direct Private Equity and Debt Investments	4,224,126	74.3 %	3,098,255	71.3 %
Total Unlisted Private Equity Investee Funds in diversified infrastructure	1,459,624	25.7 %	1,248,190	28.7 %
	<u>\$ 5,683,750</u>	<u>100.0 %</u>	<u>\$ 4,346,445</u>	<u>100.0 %</u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Financial Risk Management Discussion (continued)  
as at December 31**

**Other Price Risk (continued)**

The Fund's direct private equity and debt investments, and unlisted private equity investee funds are concentrated in the following geographic regions:

GEOGRAPHIC REGION  
(in 000s)

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Australia	\$ 415,691	7.3 %	\$ 64,660	1.5 %
Brazil	195,432	3.4 %	173,568	4.0 %
Canada	696,397	12.3 %	673,896	15.5 %
Chile	759,821	13.4 %	806,619	18.6 %
Germany	432,601	7.6 %	453,749	10.4 %
Spain	199,149	3.5 %	190,925	4.4 %
United Kingdom	534,837	9.4 %	527,689	12.1 %
United States	990,198	17.4 %	207,149	4.8 %
Total Direct Private Equity and Debt Investments	4,224,126	74.3 %	3,098,255	71.3 %
Total Unlisted Private Equity Investee Funds in diversified infrastructure	1,459,624	25.7 %	1,248,190	28.7 %
	<u>\$ 5,683,750</u>	<u>100.0 %</u>	<u>\$ 4,346,445</u>	<u>100.0 %</u>

**Financial Risk Management Discussion (continued)  
as at December 31**

**Other Price Risk (continued)**

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Accordingly, sensitivity analysis that would measure the impact to changes in the general level of market prices has not been provided as bclMC does not believe this information would be meaningful.

As at December 31, 2016, had the fair value of the investments increased or decreased by 10 percent, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased by approximately \$574,040,000 (2015 - \$438,070,000) or 10.0 percent (2015 – 10.0 percent) of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Fair Value Measurement Discussion  
as at December 31**

**Fair Value Hierarchy**

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

(in 000s)	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Direct Private Equity Investments	\$ -	\$ -	\$ 3,762,386	\$ 3,762,386
Direct Private Debt Investments	-	-	461,740	461,740
Unlisted Private Equity Investee Funds	-	-	1,459,624	1,459,624
bciMC Money Market Funds	65,379	-	-	65,379
Debt Issued	-	-	(43,921)	(43,921)
Net Investment-Related Receivables	-	35,191	-	35,191
Total Investments	<u>\$ 65,379</u>	<u>\$ 35,191</u>	<u>\$ 5,639,829</u>	<u>\$ 5,740,399</u>

  

(in 000s)	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Direct Private Equity Investments	\$ -	\$ -	\$ 2,614,652	\$ 2,614,652
Direct Private Debt Investments	-	-	483,603	483,603
Unlisted Private Equity Investee Funds	-	-	1,248,190	1,248,190
Cash	241	-	-	241
bciMC Money Market Funds	55,983	-	-	55,983
Debt Issued	-	-	(66,748)	(66,748)
Net Investment-Related Receivables	-	44,776	-	44,776
Total Investments	<u>\$ 56,224</u>	<u>\$ 44,776</u>	<u>\$ 4,279,697</u>	<u>\$ 4,380,697</u>

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Fair Value Hierarchy (continued)**

During 2016 and 2015, there were no significant transfers between Level 1 and Level 2.

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

(in 000s)	2016				
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Debt Issued	Total
Balance, beginning of year	\$ 2,614,652	\$ 483,603	\$ 1,248,190	\$ (66,748)	\$ 4,279,697
Total gains or (losses) recognized in profit or loss	166,275	(21,863)	79,073	6,685	230,170
Purchases	1,246,370	-	269,754	16,142	1,532,266
Sales	(264,911)	-	(137,393)	-	(402,304)
Balance, end of year	<u>\$ 3,762,386</u>	<u>\$ 461,740</u>	<u>\$ 1,459,624</u>	<u>\$ (43,921)</u>	<u>\$ 5,639,829</u>

  

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (22,178)</u>	<u>\$ (21,863)</u>	<u>\$ 42,633</u>	<u>\$ 6,685</u>	<u>\$ 5,277</u>
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*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Fair Value Hierarchy (Continued)**

	2015				
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Debt Issued	Total
(in 000s)					
Balance, beginning of year	\$ 2,366,438	\$ 416,100	\$ 958,816	\$ (112,243)	\$ 3,629,111
Total gains or (losses) recognized in profit or loss	219,363	67,503	119,771	(6,048)	400,589
Purchases	61,050	-	244,590	51,543	357,183
Sales	(32,199)	-	(74,987)	-	(107,186)
Balance, end of year	\$ 2,614,652	\$ 483,603	\$ 1,248,190	\$ (66,748)	\$ 4,279,697
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 209,226	\$ 67,503	\$ 80,971	\$ (6,048)	\$ 351,652

During 2016 and 2015, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments, direct private debt, unlisted private equity investee funds and debt issued 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 Investments	\$2,259,761	Discounted Cash Flows	Discount rate	6.1% to 12.8%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
		Market approach	EV / EBITDA	10.2x to 14.7x	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$1,161,077	Market approach	EV / EBITDA	\$1,161,077	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 277,019	Unadjusted Net Asset Value	Net Asset Value	\$277,019	The estimated fair value would increase (decrease) if the fair value of direct private equity investee funds was higher (lower).
Direct Private Equity Investments	\$ 64,529	Adjusted Net Asset Value	Net Asset Value	\$68,587	The estimated fair value would increase (decrease) if:
			Fair Value Adjustment.	\$(4,058)	- The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

STRATEGIC INV 100 FOREIGN PP FUND

**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Debt Investments	\$ 461,740	Discounted Cash Flows	Discount rate	6.1% to 9.5%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$1,192,472	Unadjusted Net Asset Value	Net Asset Value	\$1,192,472	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 267,152	Adjusted Net Asset Value	Net Asset Value	\$272,944	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
			Fair Value Adjustment	\$(5,792)	
Debt issued	\$ (43,921)	Discounted Cash Flows	Discount Rate	12.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$2,415,280	Discounted Cash Flows	Discount rate	6.2% to 17.8%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
		Market approach	EV / EBITDA	10.2x to 14.2x	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 134,712	Unadjusted Net Asset Value	Net Asset Value	\$134,712	The estimated fair value would increase (decrease) if the fair value of direct private equity investee funds was higher (lower).
Direct Private Equity Investments	\$ 64,660	Adjusted Net Asset Value	Net Asset Value	\$69,132	The estimated fair value would increase (decrease) if: - The fair value of direct private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
			Fair Value Adjustment	\$(4,472)	
Direct Private Debt Investments	\$ 483,603	Discounted Cash Flows	Discount rate	6.2% to 10.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 998,585	Unadjusted Net Asset Value	Net Asset Value	\$998,585	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 249,605	Adjusted Net Asset Value	Net Asset Value	\$261,551	The estimated fair value would increase (decrease) if: - The fair value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).
			Fair Value Adjustment	\$(11,946)	
Debt issued	\$ (66,748)	Discounted Cash Flows	Discount rate	12.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

Significant unobservable inputs are developed as follows:

- (i) Discount rate:  
Represents the discount rate applied to the expected future cash flows of each private debt investment and debt issued. For the discount rates used, bcIMC management assesses both the risk premium and the appropriate risk-free rate based on the economic environment in which the investee entity operates. The discount rate is adjusted for such matters as liquidity differences, credit and market factors. The estimated future cash flows are then discounted using the discount rate determined. Cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the respective investee entity.
- (ii) 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**

(iii) Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bcIMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

(iv) Fair value adjustment:

Represents total adjustments applied to the net asset value of the investee funds. bcIMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

**Effects of Unobservable Input on Fair Value Measurement**

For certain direct private equity and direct private debt investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Effects of Unobservable Input on Fair Value Measurement (continued)**

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if:

- a) the valuations of certain direct private equity and direct private debt investments were calculated by recalibrating the model values using unobservable inputs based on the upper and lower threshold of the respective investment's range of possible estimates.
- b) the valuations of unlisted private equity investee funds, of certain direct private equity and direct private debt investments and debt issued were calculated by adjusting the respective underlying investee fund's net assets, value of private equity and debt by 10%.

(in 000s)	2016	2015
Favourable	\$ 347,901	\$ 498,087
Unfavourable	\$ (498,408)	\$ (435,905)

**Involvement with Structured Entities  
as at December 31**

The Fund's investments are held primarily through 9 intermediary holding corporations and 4 limited partnerships, all of which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$5,389,225,000 (2015 - \$4,379,715,000), is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations and limited partnerships). The other structured entities are comprised of directly held investee money market funds organized as unit trusts and indirectly held investee funds organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 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	\$ 785,646	\$ 65,379
Unlisted private equity investee funds administered by third party managers	19	\$ 48,802,205	\$ 1,459,624

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

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**Involvement with Structured Entities (continued)**  
**as at December 31**

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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	\$ 2,935,771	\$ 55,983
Unlisted private equity investee funds administered by third party managers	19	\$ 42,964,694	\$ 1,248,190

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund has commitments to provide financial or other support to the intermediary holding corporations and limited partnerships to fund day-to-day operations and investment activity under loan agreements or shareholder's resolutions as needed

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INV 100 FOREIGN PP FUND**

**Involvement with Subsidiaries and Associates  
as at December 31**

The Fund holds through intermediary holding corporations the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at Fair Value Through Profit or Loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates:

December 31, 2016

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Corix Infrastructure Inc.	Water, wastewater and energy infrastructure company	Common shares and shareholder loan	Subsidiary	U.S. and Canada	Canada	51.2%	51.2%	\$ 463,825
Open Grid Europe GmbH.	Regulated gas transmission service operator	Common shares	Associate	Germany	Germany	27.3%	27.3%	\$ 432,601
ETC Holdings Ltd.	Regulated electricity transmission	Common shares	Associate	Chile	Chile	22.1%	22.1%	\$ 759,821
InTransit BC Limited Partnership	Operation of the CanadaLine project	Limited partnership interest	Associate	Canada	Canada	28.3%	28.3%	\$ 66,583
Cleco Corporation	Regulated electricity utility	Limited partnership interest	Associate	U.S.	U.S.	31.3%	31.3%	\$ 920,949

December 31, 2015

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Corix Infrastructure Inc.	Water, wastewater and energy infrastructure company	Common shares and shareholder loan	Subsidiary	U.S. and Canada	Canada	54.0%	54.0%	\$ 474,583
Open Grid Europe GmbH.	Regulated gas transmission service operator	Common shares	Associate	Germany	Germany	27.3%	27.3%	\$ 453,749
Macquarie Utilities Inc.	Regulated water company	Common shares and shareholder loan	Associate	U.S.	U.S.	38.3%	38.3%	\$ 207,002
ETC Holdings Ltd.	Regulated electricity transmission	Common shares	Associate	Chile	Chile	22.1%	22.1%	\$ 806,619
InTransit BC Limited Partnership	Operation of the CanadaLine project	Limited partnership interest	Associate	Canada	Canada	28.3%	28.3%	\$ 64,600

During 2016 and 2015, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any restrictions.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)**

**Statement of Financial Position**  
(all amounts in thousands except number of units)

	Note	December 31, 2016 (note 1)	December 31 2015 (note 1)
<b>Assets</b>			
Investments		\$ 1,431,648	\$ 10
<b>Liabilities</b>			
bclMC funds management fees payable	4	656	6
Other accounts payable		5	-
		<u>661</u>	<u>6</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><b>\$ 1,430,987</b></u>	<u><b>\$ 4</b></u>
<i>Number of redeemable units outstanding</i>	5	1,505.498	0.010
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><b>\$ 951</b></u>	<u><b>\$ 400</b></u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**  
(all amounts in thousands)

	Note	Year Ended December 31, 2016 (note 1)	Period Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ 8	\$ -
Net realized loss		(268)	-
Net change in unrealized appreciation		19,024	-
Total Revenue		<u>18,764</u>	<u>-</u>
<b>Expenses:</b>			
bclMC funds management fees	4	\$ 6,118	6
Administrative fees		214	-
Pursuit cost		8,804	-
Total operating expenses		<u>15,136</u>	<u>6</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>3,628</u>	<u>(6)</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
<b>Increase (decrease) in net assets attributable to holders of redeemable units</b>		<u><b>\$ 3,628</b></u>	<u><b>\$ (6)</b></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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
(all amounts in thousands)

	Year Ended December 31, 2016 <i>(note 1)</i>	Period Ended December 31, 2015 <i>(note 1)</i>
Balance, beginning of period	\$ 4	\$ -
Increase (decrease) in net assets attributable to holders of redeemable units	3,628	(6)
Redeemable unit transactions:		
Proceeds from units issued	1,430,125	10
Amounts paid for units redeemed	<u>(2,770)</u>	<u>-</u>
Net increase from redeemable unit transactions	<u>1,427,355</u>	<u>10</u>
<b>Balance, end of period</b>	<b><u>\$ 1,430,987</u></b>	<b><u>\$ 4</u></b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016 <i>(note 1)</i>	Period Ended December 31, 2015 <i>(note 1)</i>
<b>Operating activities:</b>		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 3,628	\$ (6)
Adjustments for:		
Interest income	(8)	-
Net realized loss from investments	268	-
Net change in unrealized appreciation from investments	(19,024)	-
Proceeds from sale of investments	13,418	1
Amounts paid for purchase of investments	(1,426,300)	(11)
bclMC funds management fees payable	650	6
Other accounts payable	5	-
Interest received	8	-
	<u>(1,427,355)</u>	<u>(10)</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	1,430,125	10
Payments on redemption of redeemable units	<u>(2,770)</u>	<u>-</u>
	<u>1,427,355</u>	<u>10</u>
Net increase (decrease) in cash	-	-
Cash, beginning of period	<u>-</u>	<u>-</u>
<b>Cash, end of period</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)**

**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>
<b>Private Equity Investments<sup>1</sup>:</b>	\$ 1,431,638	\$ 1,412,614	\$ 1	\$ 1
<b>Money Market Investments:</b>				
Units in bciMC Pooled				
Investment Portfolio				
Fund ST2	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>
	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>
<b>Total Investments</b>	<u><u>\$ 1,431,648</u></u>	<u><u>\$ 1,412,624</u></u>	<u><u>\$ 10</u></u>	<u><u>\$ 10</u></u>

<sup>1</sup> The private equity investments are held through a private corporation and limited partnerships.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)**

**Financial Risk Management Discussion  
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Infrastructure Funds are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Strategic Infrastructure Investment Fund 2 (Foreign).

The Fund holds its private equity investments through a corporation and limited partnerships. The corporation and limited partnerships hold the following net assets:

	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$1,381,763	96.5 %	\$ -	- %
Unlisted Private Equity Investee Funds	49,859	3.5 %	-	- %
bclMC Money Market Funds	16	- %	-	- %
Net Investment-Related Receivable / Payables	-	- %	\$ 1	100.0 %
	<u>\$1,431,638</u>	<u>100.0 %</u>	<u>\$ 1</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporation and limited partnerships and their investing activities have been considered.

**Credit Risk**

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)  
as at December 31**

**Liquidity Risk**

The Fund's financial assets include unlisted equity and debt investments, which are generally illiquid. In addition, the Fund holds investments in private equity investee funds. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements.

The Fund's remaining non-derivative liabilities are due within three months of the year-end of the Fund.

**Interest Rate Risk**

Substantially all of the Fund's financial assets and liabilities are non-interest bearing or have a short term to maturity, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$1,432,438,000 Cdn which represents 100.1% 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 all other currencies, holding all other variables constant, net assets would have decreased/ increased by \$14,324,000 Cdn. 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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)**

**Financial Risk Management Discussion (continued)  
as at December 31**

**Other Price Risk**

The only investment held by the corporation and limited partnership are bclMC Money Market Funds. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bclMC does not believe this information would be meaningful.

As at December 31, 2016, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$143,165,000 or 10.0% of net assets attributable to redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at December 31**

**Fair Value Hierarchy**

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2016			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bclMC Money Market Funds		\$ 26	\$ -	\$ -	\$ 26
Direct Private Equity Investments		-	-	1,381,763	1,381,763
Unlisted Private Equity Investee Funds		-	-	49,859	49,859
Total Investments		\$ 26	\$ -	\$ 1,431,622	\$ 1,431,648

  

		2015			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
Net Investment-Related Receivables		\$ -	\$ 1	\$ -	\$ 1
bclMC Money Market Funds		9	-	-	9
Total Investments		\$ 9	\$ 1	\$ -	\$ 10

During 2016, there were no significant transfers between Level 1 and Level 2.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)**

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Fair Value Hierarchy (continued)**

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2016			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds		Total
(in 000s)				
Balance, beginning of year	\$ -	\$ -		\$ -
Total gains or (losses) recognized in profit or loss	14,711	4,931		19,642
Purchases	1,367,052	54,366		1,421,418
Sales	-	(9,438)		(9,438)
Balance, end of year	<u>\$ 1,381,763</u>	<u>\$ 49,859</u>		<u>\$ 1,431,622</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 14,711</u>	<u>\$ 4,465</u>		<u>\$ 19,176</u>

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds categorized as Level 3 in the fair value hierarchy as at December 31:

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$1,381,763	Market approach	EV / EBITDA	\$1,381,763	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 49,859	Unadjusted Net Asset Value	Net Asset Value	\$ 49,859	The estimated fair value would increase (decrease) if the fair value of unlisted private equity investee funds was higher (lower).

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)

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Fair Value Measurement Discussion (continued)  
as at December 31

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Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value (“EV”) and EBITDA multiples:  
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.
- (ii) Net Asset Value:  
Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds’ policy to categorize the investee as level 3 within the fair value hierarchy.

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Fair Value Measurement Discussion (continued)  
as at December 31

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Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity and direct private debt investments, bclMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

The unlisted private equity investee funds are valued based on information received from external managers through co-investment arrangements. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of unlisted private equity investee funds and direct private equity investments were calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2016
Favourable	\$ 143,162
Unfavourable	\$ (143,162)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)**

**Involvement with Structured Entities  
as at December 31**

The Fund's investments are held primarily through the intermediary holding corporation and limited partnership which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$1,431,648, is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market funds organized as unit trusts. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units. The tables below set out the direct and indirect interests held by the Fund in these other 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	\$ 26
Unlisted private equity investee funds administered by third party managers	2	\$ 2,439,826	\$ 49,859

**Involvement with Structured Entities (continued)  
as at December 31**

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	\$ 9

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT FUND**

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Receivable from sale of investments		28,508	28,508
Investments		<u>\$ 24,627</u>	<u>\$ 23,325</u>
<b>Liabilities</b>			
Payable for redemption of units		28,508	28,508
bclMC funds management fees payable	4	159	94
Other accounts payable		<u>12</u>	<u>11</u>
		<u>28,679</u>	<u>28,613</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><u>\$ 24,456</u></u>	<u><u>\$ 23,220</u></u>
<i>Number of redeemable units outstanding</i>	5	14.347	11.748
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><u>\$ 1,705</u></u>	<u><u>\$ 1,977</u></u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

**Statement of Comprehensive Income**

(all amounts in thousands)

	Note	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ 2	\$ 2
Change in fair value of investments:	8		
Net realized gain		63	643
Net change in unrealized appreciation (depreciation)		<u>1,319</u>	<u>(13,683)</u>
Total revenue		<u>1,384</u>	<u>(13,038)</u>
<b>Expenses:</b>			
bclMC funds management fees	4	1,622	1,103
Administrative fees		20	22
Pursuit costs		<u>14</u>	<u>17</u>
Total operating expenses		<u>1,656</u>	<u>1,142</u>
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(272)</u>	<u>(14,180)</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u><u>\$ (272)</u></u>	<u><u>\$ (14,180)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT 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	\$ 23,220	\$ 46,705
Decrease in net assets attributable to holders of redeemable units	(272)	(14,180)
Redeemable unit transactions:		
Proceeds from units issued	1,801	1,339
Amounts paid for units redeemed	(293)	(10,644)
Net increase (decrease) from redeemable unit transactions	1,508	(9,305)
<b>Balance, end of year</b>	<b>\$ 24,456</b>	<b>\$ 23,220</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Decrease in net assets attributable to holders of redeemable units	\$ (272)	\$ (14,180)
Adjustments for:		
Interest income	(2)	(2)
Net realized gain from investments	(63)	(643)
Net change in unrealized (appreciation) depreciation from investments	(1,319)	13,683
Proceeds from sale of investments	1,883	11,757
Amounts paid for purchase of investments	(1,803)	(1,340)
Receivable from sale of investments	-	(28,508)
Payable for redemption of units	-	28,508
bcIMC funds management fees payable	65	27
Other accounts payable	1	1
Interest received	2	2
	(1,508)	9,305
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	1,801	1,339
Payments on redemption of redeemable units	(293)	(10,644)
	1,508	(9,305)
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
<b>Cash, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT 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>
<b>Private Equity Investments<sup>1</sup>:</b>	\$ 24,225	\$ 35,200	\$ 23,123	\$ 35,417
<b>Money Market Investments:</b>				
Units in bclMC Pooled				
Investment Portfolio				
Fund ST2	<u>402</u>	<u>402</u>	<u>202</u>	<u>202</u>
<b>Total Investments</b>	<u>\$ 24,627</u>	<u>\$ 35,602</u>	<u>\$ 23,325</u>	<u>\$ 35,619</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT FUND**

**Financial Risk Management Discussion  
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Renewable Resources Investment program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Renewable Resources Investment Fund.

The Fund holds its private equity investments through corporations. The corporations hold the following net assets:

	2016		2015	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Fund	\$ 24,197	99.9%	\$ 22,800	98.6%
bciMC Money Market Funds	28	0.1%	323	1.4%
	<u>\$ 24,225</u>	<u>100.0%</u>	<u>\$ 23,123</u>	<u>100.0%</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

**Credit Risk**

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Liquidity Risk**

The Fund's financial assets include unlisted equity investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)  
as at December 31**

**Interest Rate Risk**

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$24,211,000 Cdn which represents 99.0% of the net asset value of the Fund (2015 - \$23,110,000 Cdn which represented 99.5% of the net asset value of the Fund).

The above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its investments in underlying unlisted private equity investee fund. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, 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, respectively, by \$242,000 Cdn (2015 - \$231,000 Cdn), 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.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$8,000 Cdn (2015 - \$8,000 Cdn). As at December 31, 2016 and 2015 if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased by less than \$1,000 Cdn. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 7 of the financial statements.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT FUND**

**Financial Risk Management Discussion (continued)  
as at December 31**

**Other Price Risk**

The net assets include real estate properties and other related receivables and payables. The real estate investments are primarily in timberlands and concentrated in Brazil.

The fair value of this investment fluctuates in response to specific property characteristics rather than from changes in the general level of market prices. Because of these factors, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bclMC does not believe this information would be meaningful.

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$2,463,000 (2015 - \$2,333,000) or 10.1% (2015 – 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at December 31**

**Fair Value Hierarchy**

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

2016				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bclMC Money Market Funds	\$ 430	\$ -	\$ -	\$ 430
Unlisted Private Equity Investee Fund	-	-	24,197	24,197
Total Investments	\$ 430	\$ -	\$ 24,197	\$ 24,627

2015				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bclMC Money Market Funds	\$ 525	\$ -	\$ -	\$ 525
Unlisted Private Equity Investee Fund	-	-	22,800	22,800
Total Investments	\$ 525	\$ -	\$ 22,800	\$ 23,325

During 2016 and 2015, there were no significant transfers between Level 1 and Level 2.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT FUND**

**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Fair Value Hierarchy (continued)**

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2016	2015
(in 000s)	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 22,800	\$ 46,630
Total gains or (losses) recognized in profit or loss	1,397	(12,706)
Purchases	-	-
Sales	-	(11,124)
Balance, end of year	<u>\$ 24,197</u>	<u>\$ 22,800</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 1,397</u>	<u>\$ (13,983)</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of unlisted private equity investee funds as Level 3 in the fair value hierarchy as at December 31:

	2016				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 24,197	Unadjusted Net Asset Value	Net Asset Value	\$ 24,197	The estimated fair value would increase (decrease) if the net asset value of the unlisted private equity investee fund was higher (lower).

  

	2015				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 22,800	Unadjusted Net Asset Value	Net Asset Value	\$ 22,800	The estimated fair value would increase (decrease) if the net asset value of the unlisted private equity investee fund was higher (lower).

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

RENEWABLE RESOURCES INVESTMENT FUND

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Fair Value Measurement Discussion (continued)  
as at December 31

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Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

Net Asset Value:

Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

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Fair Value Measurement Discussion (continued)  
as at December 31

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Effects of Unobservable Input on Fair Value Measurement

The unlisted private equity investee fund is valued based on information received from the external manager through co-investment arrangement. The fair value of the investment fluctuates in response to changes in specific assumptions for the investee as determined by the external manager.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuation of unlisted private equity investee fund was calculated by adjusting the underlying investee fund's net assets by 10%.

(in 000s)	2016	2015
Favourable	\$ 2,420	\$ 2,300
Unfavourable	\$ (2,420)	\$ (2,300)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
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**RENEWABLE RESOURCES INVESTMENT FUND**

**Involvement with Structured Entities  
as at December 31**

The Fund's investments are held through 2 intermediary holding corporations, both of which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities, approximately \$24,225,000 (2015 - \$23,123,000), is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in other structured entities, both directly and indirectly (i.e. through the intermediary holding corporations). The other structured entities are comprised of directly held investee money market fund organized as unit trust and indirectly held investee fund organized as limited partnership. Both of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in these other structured entities:

Entity	December 31, 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 fund administered by bclMC	1	\$ 3,256,248	\$ 430
Unlisted private equity investee fund administered by third party manager	1	\$ 159,415	\$ 24,197

**Involvement with Structured Entities (continued)  
as at December 31**

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 fund administered by bclMC	2	\$ 5,599,676	\$ 525
Unlisted private equity investee fund administered by third party manager	1	\$ 108,268	\$ 22,800

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund has commitments to provide financial or other support to the intermediary holding corporations to fund day-to-day operations and investment activity under loan agreements or shareholder's resolutions as needed.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 RENEWABLE RESOURCES FUND**

<b>Statement of Financial Position</b> (all amounts in thousands except number of units)			
	Note	December 31, 2016	December 31 2015
<b>Assets</b>			
Interest receivable		\$ 5,655	\$ -
Derivative assets:			
Foreign currency contracts		5,660	-
Investments		<u>304,497</u>	<u>155,975</u>
<b>Liabilities</b>			
bcIMC funds management fees payable	4	25	10
Other accounts payable		12	11
Derivative liabilities:			
Foreign currency contracts		<u>5,655</u>	<u>-</u>
		<u>5,692</u>	<u>21</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><b>\$ 310,120</b></u>	<u><b>\$ 155,954</b></u>
<i>Number of redeemable units outstanding</i>	5	230.432	137.512
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><b>\$ 1,346</b></u>	<u><b>\$ 1,134</b></u>
<i>Contingent liability</i>	6		
<i>Unfunded committed capital</i>	7		

[S] Gordon J. Fyfe

Gordon J. Fyfe  
Chief Executive Officer  
Chief Investment Officer

<b>Statement of Comprehensive Income</b> (all amounts in thousands)			
	Note	Year Ended December 31, 2016	Period Ended December 31, 2015
<b>Revenue:</b>			
Interest income		\$ 22,442	\$ 12,776
Foreign exchange loss		(4,206)	(238)
Change in fair value of investments and derivatives:	8		
Net realized loss		(44)	(51)
Net change in unrealized appreciation		38,328	9,838
Total revenue		<u>56,520</u>	<u>22,325</u>
<b>Expenses:</b>			
bcIMC funds management fees	4	246	55
Administrative fees		309	568
Pursuit costs		<u>2</u>	<u>2</u>
Total operating expenses		<u>557</u>	<u>625</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>55,963</u>	<u>21,700</u>
Distributions to holders of redeemable units:			
From net investment income		-	-
From net realized gains on investments and derivatives		(17,690)	(11,914)
		<u>(17,690)</u>	<u>(11,914)</u>
<b>Increase in net assets attributable to holders of redeemable units</b>		<u><b>\$ 38,273</b></u>	<u><b>\$ 9,786</b></u>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 RENEWABLE RESOURCES FUND**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
(all amounts in thousands)

	Year Ended December 31, 2016	Period Ended December 31, 2015
Balance, beginning of period	\$ 155,954	\$ -
Increase in net assets attributable to holders of redeemable units	38,273	9,786
Redeemable unit transactions:		
Proceeds from units issued	103,653	139,957
Reinvestment of distributions	17,690	11,914
Amounts paid for units redeemed	(5,450)	(5,703)
Net increase from redeemable unit transactions	115,893	146,168
<b>Balance, end of period</b>	<b>\$ 310,120</b>	<b>\$ 155,954</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Period Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 38,273	\$ 9,786
Adjustments for:		
Effect of exchange rate changes on cash	4,206	238
Interest income	(22,442)	(12,776)
Net realized loss from investments and derivatives	44	51
Net change in unrealized appreciation from investments and derivatives	(38,328)	(9,838)
Non cash distributions	17,690	11,914
Proceeds from sale of investments	108,470	213,263
Amounts paid for purchase of investments	(218,713)	(359,451)
bclMC funds management fees payable	15	10
Other accounts payable	1	11
Interest received	16,787	12,776
	(93,997)	(134,016)
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	103,653	139,957
Payments on redemption of redeemable units	(5,450)	(5,703)
	98,203	134,254
Net increase in cash	4,206	238
Effect of exchange rate changes on cash	(4,206)	(238)
Cash, beginning of period	-	-
<b>Cash, end of period</b>	<b>\$ -</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 RENEWABLE RESOURCES 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>
<b>Private Equity Investments <sup>1</sup>:</b>	\$ 178,259	\$ 137,581	\$ 146,470	\$ 137,000
<b>Private Debt Investments:</b>	126,210	118,727	9,467	9,099
<b>Money Market Investments:</b>				
Units in bclMC Pooled Investment Portfolio				
Fund ST1	<u>28</u>	<u>28</u>	<u>38</u>	<u>38</u>
<b>Total Investments</b>	<u>\$ 304,497</u>	<u>\$ 256,336</u>	<u>\$ 155,975</u>	<u>\$ 146,137</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 RENEWABLE RESOURCES FUND**

**Financial Risk Management Discussion  
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Renewable Resources Investment program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2016 Renewable Resources Fund.

The Fund owns one private equity investment. The investment is a U.S. based company with interests in multiple food and agriculture focused businesses that are leaders in their respective industries.

The Fund holds its private equity and debt investments through a limited partnership and a corporation. The limited partnership and corporation hold the following net assets:

(in 000s)	2016		2015	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 302,570	169.7 %	\$ 154,663	105.6 %
bclMC Money Market Funds	7,426	4.2 %	1,274	0.9 %
Debt Issued	(126,076)	(70.7)%	(9,467)	(6.5)%
Net Investment-Related Payables	(5,661)	(3.2)%	-	- %
	<u>\$ 178,259</u>	<u>100.0 %</u>	<u>\$ 146,470</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

**Credit Risk**

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Financial Risk Management Discussion (continued)  
as at December 31**

**Liquidity Risk**

The Fund's financial assets include direct private equity investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements.

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund. 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	3 months to 1 year
Outflows	\$ (5,655)	\$ (5,655)	\$ (5,655)	\$ -	\$ -
Inflows	5,660	5,660	5,660	-	-
	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ -</u>

**Interest Rate Risk**

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 RENEWABLE RESOURCES FUND**

**Financial Risk Management Discussion (continued)  
as at December 31**

**Currency Risk**

The Fund holds net financial assets, including foreign currency contracts, denominated in U.S. currency totalling \$303,211,000 Cdn which represents 97.8% of the net asset value of the Fund (2015 - \$154,671,000 Cdn which represented 99.2% 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 all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$3,032,000 Cdn (2015 - \$1,547,000 Cdn), 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.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$nil Cdn (2015 - \$222,894,000 Cdn). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$nil Cdn (2015 - \$2,229,000 Cdn). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

**Other Price Risk**

The fair value of the Fund fluctuates in response to global demand and economic growth, the regulatory environment or changes among other factors. Accordingly, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bclMC does not believe this information would be meaningful.

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$30,450,000 (2015 - \$15,598,000) or 9.8% (2015 - 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at December 31**

**Fair Value Hierarchy**

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Payables	\$ -	\$ (5,661)	\$ -	\$ (5,661)
bclMC Money Market Funds	7,454	-	-	7,454
Direct Private Equity Investments	-	-	302,570	302,570
Direct Private Debt Investments	-	-	134	134
Total Investments	\$ 7,454	\$ (5,661)	\$ 302,704	\$ 304,497

	2015			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
bclMC Money Market Funds	1,312	-	-	1,312
Direct Private Debt Investments	-	-	154,663	154,663
Total Investments	\$ 1,312	\$ -	\$ 154,663	\$ 155,975

During 2016 and 2015, there were no significant transfers between Level 1 and Level 2.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 RENEWABLE RESOURCES FUND**

**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Fair Value Hierarchy (continued)**

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2016		
(in 000s)	Direct Private Equity Investments	Direct Private Debt Investments	Total
Balance, beginning of year	\$ 154,663	\$ -	\$ 154,663
Total gains or (losses) recognized in profit or loss	45,415	4,100	49,515
Purchases	102,492	109,628	212,120
Sales	-	(113,594)	(113,594)
Balance, end of year	<u>\$ 302,570</u>	<u>\$ 134</u>	<u>\$ 302,704</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 45,415</u>	<u>\$ 134</u>	<u>\$ 45,549</u>

**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Fair Value Hierarchy (continued)**

	2015
(in 000s)	Direct Private Equity Investments
Balance, beginning of period	\$ -
Total gains or (losses) recognized in profit or loss	18,932
Purchases	139,119
Sales	<u>(3,388)</u>
Balance, end of period	<u>\$ 154,663</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 18,816</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

*See accompanying Notes to the Financial Statements.*



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 RENEWABLE RESOURCES FUND**

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investments and unlisted private equity investee funds 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 Investments	\$ 302,570	Adjusted Net Asset Value	Net Asset Value  Fair Value Adjustment	\$ 255,148  \$ 47,422	The estimated fair value would increase (decrease) if: - The fair value of the private equity investee fund was higher (lower). - The fair value adjustment was lower (higher).
Direct Private Debt	\$ 134	Discounted Cash Flows	Discount rate	10.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
2015					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 154,663	Market approach	EV / EBITDA	\$ 154,663	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).

**Fair Value Measurement Discussion (continued)  
as at December 31**

Significant unobservable inputs are developed as follows:

- (i) Enterprise Value ("EV") and EBITDA multiples:  
EV represent amounts that market participants would use when pricing the investments. EV may be based on arms length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

- (ii) Net Asset Value:  
Represents the net asset value of the unlisted private equity investee funds. bclMC management values these funds primarily based on the latest available financial information provided by their general partners.

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

- (iii) Fair value adjustment:  
Represents total adjustments applied to the net asset value of the investee funds. bclMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**2016 RENEWABLE RESOURCES FUND**

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

- (iv) Discount rate:  
Represents the discount rate applied to the expected future cash flows of each private debt investment and debt issued. For the discount rates used, bclMC management assesses both the risk premium and the appropriate risk-free rate based on the economic environment in which the investee entity operates. The discount rate is adjusted for such matters as liquidity differences, credit and market factors. The estimated future cash flows are then discounted using the discount rate determined. Cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the respective investee entity.

**Effects of Unobservable Input on Fair Value Measurement**

For certain direct private equity investments, bclMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuation of direct private equity investment was calculated by adjusting the respective underlying investee fund's net assets by 10%.

(in 000s)	2016	2015
Favourable	\$ 30,270	\$ 15,467
Unfavourable	\$ (30,270)	\$ (15,467)

**Involvement with Structured Entities  
as at December 31**

The Fund's investments are held primarily through a corporation and a limited partnership which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by bclMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$178,259,000 (2015 - \$146,470,000) is included within Investments in the Statement of Financial Position. The tables below set out the direct and indirect interests held by the Fund in these other 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	\$ 785,646	\$ 7,454

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	\$ 1,312

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT 2 FUND**

**Statement of Financial Position**  
(all amounts in thousands *except number of units*)

	Note	December 31, 2016
<b>Assets</b>		
Investments		<u>\$ 10</u>
<b>Liabilities</b>		
Other accounts payable		<u>2</u>
		<u>2</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><u>\$ 8</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>0.010</i>
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><u>\$ 800</u></u>
<i>Contingent liability</i>	6	

**Statement of Comprehensive Income**  
(all amounts in thousands)

	Note	Period Ended December 31, 2016 (note 1)
<b>Revenue:</b>		
Change in fair value of investments	8	<u>\$ -</u>
<b>Expenses:</b>		
Administrative fees		<u>2</u>
Total operating expenses		<u>2</u>
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(2)</u>
Distributions to holders of redeemable units:		
From net investment income		<u>-</u>
<b>Decrease in net assets attributable to holders of redeemable units</b>		<u><u>\$ (2)</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT 2 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>
Decrease in net assets attributable to holders of redeemable units	\$ (2)
Redeemable unit transactions:	
Proceeds from units issued	10
Amounts paid for units redeemed	-
Net increase from redeemable unit transactions	10
<b>Balance, end of period</b>	<b>\$ 8</b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Period Ended December 31, 2016 <i>(note 1)</i>
<b>Operating activities:</b>	
Decrease in net assets attributable to holders of redeemable units	\$ (2)
Adjustments for:	
Amounts paid for purchase of investments	(10)
Other accounts payable	2
	(10)
<b>Financing activities:</b>	
Proceeds from issue of redeemable units	10
	10
Net increase (decrease) in cash	-
Cash, beginning of period	-
<b>Cash, end of period</b>	<b>\$ -</b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT 2 FUND**

**Schedule of Investments**

as at December 31

(all amounts in thousands)

	2016	
	<u>Fair Value</u>	<u>Cost</u>
<b>Private Equity Investments<sup>1</sup>:</b>	\$ 1	\$ 1
<b>Money Market Investments:</b>		
Units in bclMC Pooled		
Investment Portfolio		
Fund ST1	<u>9</u>	<u>9</u>
<b>Total Investments</b>	<u>\$ 10</u>	<u>\$ 10</u>

<sup>1</sup> The private equity investments are held through private corporations.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT 2 FUND**

**Financial Risk Management Discussion  
as at December 31**

The investment objectives, eligible investments and general information on the financial risks related to the Renewable Resources Investment program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Renewable Resources Investment 2 Fund.

The Fund holds its private equity investments through a corporation. The corporation holds the following net assets:

	2016	
	Total	% of Total
(in 000s)		
bclMC Money Market Funds	\$ 1	100.0 %
	\$ 1	100.0 %

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the net assets held by the underlying corporations and their investing activities have been considered.

**Credit Risk**

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Liquidity Risk**

The Fund's financial assets include unlisted equity investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Financial Risk Management Discussion (continued)  
as at December 31**

**Interest Rate Risk**

Substantially all of the Fund's financial assets and liabilities are non-interest bearing or have a short term to maturity, 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 net financial assets and liabilities are denominated in Canadian dollars.

**Other Price Risk**

The only investments held by the fund and the corporation are bclMC Money Market Funds. Therefore, sensitivity analysis that would measure the impact from changes in the general level of market prices has not been provided as bclMC does not believe this information would be meaningful.

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$1,000 or 12.5% of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**RENEWABLE RESOURCES INVESTMENT 2 FUND**

**Fair Value Measurement Discussion  
as at December 31**

**Fair Value Hierarchy**

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

	2016				Total
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)		
(in 000s)					
bciMC Money Market Funds	\$ 10	\$ -	\$ -	\$ -	10
Total Investments	\$ 10	\$ -	\$ -	\$ -	10

During 2016, there were no significant transfers between Level 1 and Level 2.

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

**Involvement with Structured Entities  
as at December 31**

The Fund's investments are held through an intermediary holding corporation, which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by bciMC to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity, approximately \$1,000, is included within Investments in the Statement of Financial Position.

In addition, the Fund holds interests in another structured entity, both directly and indirectly (i.e. through the intermediary holding corporation). The other structured entity is comprised of a directly held investee money market fund organized as a unit trust. This fund has been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors. Accordingly, the Fund's interest in this entity is reflected through the holding of trust units. The tables below set out the direct and indirect interests held by the Fund in this other structured entity:

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 fund administered by bciMC	1	\$ 3,256,248	\$ 10

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016, the Fund has commitments to provide financial or other support to the intermediary holding corporations to fund day-to-day operations and investment activity under loan agreements or shareholder's resolutions as needed.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

IT INVESTMENT TRUST

**Statement of Financial Position**

(all amounts in thousands except number of units)

	Note	December 31, 2016	December 31, 2015
<b>Assets</b>			
Receivable from issue of units		28,508	28,508
Investments		<u>\$ 221,919</u>	<u>\$ 228,344</u>
<b>Liabilities</b>			
Payable for purchase of investments		28,508	28,508
bclMC funds management fees payable	4	10	8
Other accounts payable		<u>12</u>	<u>11</u>
		<u>28,530</u>	<u>28,527</u>
<b>Net assets attributable to holders of redeemable units</b>		<u><u>\$ 221,897</u></u>	<u><u>\$ 228,325</u></u>
<i>Number of redeemable units outstanding</i>	5	182.346	190.132
<b>Net assets attributable to holders of redeemable units per unit</b>		<u><u>\$ 1,217</u></u>	<u><u>\$ 1,201</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
<b>Revenue:</b>			
Interest income		\$ 2	\$ 1
Foreign exchange loss		(9)	(5)
Change in fair value of investments:	8		
Net realized gain (loss)		(11)	91
Net change in unrealized appreciation		<u>4,571</u>	<u>15,631</u>
Total revenue		<u>4,553</u>	<u>15,718</u>
<b>Expenses:</b>			
bclMC funds management fees	4	120	120
Administrative fees		<u>22</u>	<u>29</u>
Total operating expenses		<u>142</u>	<u>149</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>4,411</u>	<u>15,569</u>
<b>Increase in net assets attributable to holders of redeemable units</b>		<u><u>\$ 4,411</u></u>	<u><u>\$ 15,569</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  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

IT INVESTMENT TRUST

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
Balance, beginning of year	\$ 228,325	\$ 221,842
Increase in net assets attributable to holders of redeemable units	4,411	15,569
Redeemable unit transactions:		
Proceeds from units issued	325	286
Amounts paid for units redeemed	<u>(11,164)</u>	<u>(9,372)</u>
Net decrease from redeemable unit transactions	<u>(10,839)</u>	<u>(9,086)</u>
<b>Balance, end of year</b>	<b><u>\$ 221,897</u></b>	<b><u>\$ 228,325</u></b>

**Statement of Cash Flows**  
(all amounts in thousands)

	Year Ended December 31, 2016	Year Ended December 31, 2015
<b>Operating activities:</b>		
Increase in net assets attributable to holders of redeemable units	\$ 4,411	\$ 15,569
Adjustments for:		
Effect of exchange rate changes on cash	9	5
Interest income	(2)	(1)
Net realized (gain) loss from investments	11	(91)
Net change in unrealized appreciation from investments	(4,571)	(15,631)
Proceeds from sale of investments	44,222	37,082
Amounts paid for purchase of investments	(33,237)	(27,847)
bcIMC funds management fees payable	2	3
Other accounts payable	1	1
Interest received	<u>2</u>	<u>1</u>
	<u>10,848</u>	<u>9,091</u>
<b>Financing activities:</b>		
Proceeds from issue of redeemable units	325	286
Payments on redemption of redeemable units	<u>(11,164)</u>	<u>(9,372)</u>
	<u>(10,839)</u>	<u>(9,086)</u>
Net increase in cash	9	5
Effect of exchange rate changes on cash	(9)	(5)
Cash, beginning of year	<u>-</u>	<u>-</u>
<b>Cash, end of year</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

IT INVESTMENT TRUST

**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>
<b>Private Equity Investments<sup>1</sup>:</b>	\$ 221,902	\$ 174,265	\$ 228,326	\$ 185,261
<b>Money Market Investments:</b>				
Units in bciMC Pooled				
Investment Portfolio				
Fund ST2	10	10	11	10
Fund ST3	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
	<u>17</u>	<u>17</u>	<u>18</u>	<u>17</u>
<b>Total Investments</b>	<u>\$ 221,919</u>	<u>\$ 174,282</u>	<u>\$ 228,344</u>	<u>\$ 185,278</u>

<sup>1</sup> The private equity investments are held through an externally managed limited partnership.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

IT INVESTMENT TRUST

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**Financial Risk Management Discussion  
as at December 31**

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The investment objectives, eligible investments and general information on the financial risks related to the Renewable Resources Investment program are described in note 9 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the IT Investment Trust.

IT Investment Trust (the Fund) directly owns a Canadian limited partnership which holds investments denominated in U.S. dollars. The principal business of the limited partnership is growing and harvesting timber in Coastal British Columbia. The limited partnership is also engaged in real estate development and sales. The Fund's activities expose it to a variety of financial risks.

**Credit Risk**

Substantially all of the Fund's financial assets and liabilities are held in securities that are not subject to significant credit risk.

**Liquidity Risk**

The Fund's financial assets include unlisted equity investments, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements. The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

**Interest Rate Risk**

Substantially all of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

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**Financial Risk Management Discussion (continued)  
as at December 31**

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**Currency Risk**

The Fund holds net financial assets denominated in U.S. currency totalling \$221,908,000 Cdn which represents 100.0% of the net asset value of the Fund (2015 - \$228,333,000 Cdn 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 all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$2,219,000 Cdn (2015 - \$2,288,000 Cdn), 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**

The fair value of the Fund fluctuates in response to global demand and economic growth, the regulatory environment or changes among other factors. Accordingly, sensitivity analysis that would measure the impact of changes in the general level of market prices has not been provided as bclMC does not believe this information would be meaningful.

As at December 31, 2016 and 2015, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$22,192,000 (2015 - \$22,834,000) or 10.0% (2015 - 10.0%) of net assets attributable to redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

**IT INVESTMENT TRUST**

**Fair Value Measurement Discussion  
as at December 31**

**Fair Value Hierarchy**

As described in note 10 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The tables below analyze financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the Statement of Financial Position. All fair value measurements below are recurring.

		2016			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bciMC Money Market Funds	\$	17	\$ -	\$ -	\$ 17
Direct Private Equity Investment		-	-	221,902	221,902
Total Investments	\$	17	\$ -	\$ 221,902	\$ 221,919

  

		2015			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
bciMC Money Market Funds	\$	18	\$ -	\$ -	\$ 18
Direct Private Equity Investment		-	-	228,326	228,326
Total Investments	\$	18	\$ -	\$ 228,326	\$ 228,344

During 2016 and 2015, there were no significant transfers between Level 1 and Level 2.

**Fair Value Measurement Discussion (continued)  
as at December 31**

**Fair Value Hierarchy (continued)**

The carrying amount of the Fund's net assets attributable to redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2016
(in 000s)	Direct Private Equity Investment
Balance, beginning of year	\$ 228,326
Total gains or (losses) recognized in profit or loss	4,571
Purchases	-
Sales	(10,995)
Balance, end of year	\$ 221,902

  

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 4,571
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*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

IT INVESTMENT TRUST

**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Fair Value Hierarchy (continued)**

	2015
(in 000s)	Direct Private Equity Investment
Balance, beginning of year	\$ 221,841
Total gains or (losses) recognized in profit or loss	15,631
Purchases	-
Sales	(9,146)
Balance, end of year	<u>\$ 228,326</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 15,631</u>

During 2016 and 2015, there were no significant transfers into or out of Level 3.

**Significant Unobservable Inputs Used in Measuring Fair Value**

The table below sets out information about significant unobservable inputs used at year-end in measuring the fair value of direct private equity investment categorized as Level 3 in the fair value hierarchy as at December 31:

	2016	
	Fair Value (in 000s)	Valuation Technique
Direct Private Equity Investment	\$ 221,902	Adjusted Net Asset Value
		Unobservable Input
	\$ 258,269	Amount / Range
		Sensitivity to Change in Significant Unobservable Input
		The estimated fair value would increase (decrease) if:
		- The fair value of the direct private equity investee fund was higher (lower).
		- The fair value adjustment was lower (higher).

**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Significant Unobservable Inputs Used in Measuring Fair Value (continued)**

	2015	
	Fair Value (in 000s)	Valuation Technique
Direct Private Equity Investment	\$ 228,326	Adjusted Net Asset Value
		Unobservable Input
		Amount / Range
		Sensitivity to Change in Significant Unobservable Input
		The estimated fair value would increase (decrease) if:
		- The fair value of the direct private equity investee fund was higher (lower).
		- The fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

Represents the net asset value of the direct private equity investment. bclMC management values the investment primarily based on the latest available financial information provided by the general partner.

The direct private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.

(ii) Fair Value Adjustment:

Represents total adjustments applied to the net asset value of the investee funds. bclMC management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

*See accompanying Notes to the Financial Statements.*

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
ILLIQUID POOLED INVESTMENT PORTFOLIOS

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**Fair Value Measurement Discussion (continued)**  
**as at December 31**

**Effects of Unobservable Input on Fair Value Measurement**

For certain direct private equity investments, bcIMC management engages third party independent valuers to estimate the fair market value. The valuers produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how the net assets attributable to holders of redeemable units would change if the valuations of direct private equity investment was calculated by adjusting the value of direct private equity investment by 10%.

(in 000s)	2016	2015
Favourable	\$ 22,190	\$ 22,800
Unfavourable	\$ (22,190)	\$ (22,800)

**Involvement with Structured Entities**  
**as at December 31**

Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The structured entities are comprised of directly held investee money market funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units. The tables below set out the direct and indirect interests held by the Fund in these structured entities:

Entity	December 31, 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	\$ 3,256,248	\$ 17

  

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	\$ 5,599,676	\$ 18

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2016 and 2015, the Fund did not provide financial or other support to these structured entities.

*See accompanying Notes to the Financial Statements.*

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**Involvement with Subsidiaries and Associates  
as at December 31**

The Fund holds the following investment in which it has a position where it could exert significant influence on the operations of the investee. The Fund measures the investment at Fair Value Through Profit or Loss. The tables below set out interest held by the Fund in this unconsolidated associate.

December 31, 2016

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Island Timberlands Limited Partnership	Investment in, management and disposition of timberlands in British Columbia, Canada	Limited partnership interest	Associate	Canada	Canada	28.3%	28.3%	\$ 221,902

December 31, 2015

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/Registration	Ownership Interest	Voting Rights	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Island Timberlands Limited Partnership	Investment in, management and disposition of timberlands in British Columbia, Canada	Limited partnership interest	Associate	Canada	Canada	28.3%	28.3%	\$ 228,326

During 2016 and 2015, the Fund did not provide financial support to the associate and has no intention of providing financial or other support. Furthermore, the associate listed in the table above is not subject to any restrictions.

*See accompanying Notes to the Financial Statements.*

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**1. The Portfolios**

British Columbia Investment Management Corporation ("bclMC") was established under the *Public Sector Pension Plans Act* as a trust company authorized to carry on trust business and investment management services. The address of the bclMC's registered office is at 300 - 2950 Jutland Road, Victoria, British Columbia, Canada. These financial statements have been prepared by bclMC and are the responsibility of bclMC management.

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, bclMC 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 bclMC and invested by the Chief Investment Officer of bclMC.

The Funds were established on the following dates:

Pooled Investment Portfolios	Dates Established
Mezzanine Mortgage Fund	September 28, 1999
US Mortgage Opportunity Fund*	August 10, 2016
Private Placement Fund 1996	March 20, 1996
Private Placement Fund 1997	March 12, 1997
Private Placement Fund 1998	March 12, 1998
Private Placement Fund 1999	March 17, 1999
Private Placement Fund 1999A	March 17, 1999
2000 Private Placement Fund	January 1, 2004
2001 Private Placement Fund	January 1, 2004
2002 Private Placement Fund	January 1, 2004
2003 Private Placement Fund	January 1, 2004
2004 Private Placement Fund	January 1, 2004

Pooled Investment Portfolios	Dates Established
2005 Private Placement Fund	January 1, 2005
2006 Private Placement Fund	January 27, 2006
2007 Private Placement Fund	January 11, 2007
2008 Private Placement Fund	January 9, 2008
2009 Private Placement Fund	January 13, 2009
2010 Private Placement Fund	January 29, 2010
2011 Private Placement Fund	February 11, 2011
2012 Private Placement Fund	March 1, 2012
2013 Private Placement Fund	March 4, 2013
2014 Private Placement Fund	February 14, 2014
2015 Private Placement Fund	February 5, 2015
2016 Private Placement Fund*	January 11, 2016

Pooled Investment Portfolios	Dates Established
Strategic Inv 100 Foreign PP Fund	December 23, 2004
Strategic Infrastructure Investment Fund 2 (Foreign)	December 24, 2015
Renewable Resources Investment Fund	May 19, 2005
2016 Renewable Resources Fund (formerly 2015A Private Placement Fund)	June 3, 2015
Renewable Resources Investment 2 Fund*	August 31, 2016
IT Investment Trust	December 9, 2013

\*As this Fund was established in 2016, no comparative figures have been presented in the respective financial statements.



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**2. Basis of preparation**

(a) Statement of compliance

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS"). The financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on August 18, 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.

(d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. In determining the fair value of some of its investments, bclMC reviews and assesses external managers' estimates and assumptions regarding investment industry performance and prospects, as well as general business and economic conditions that prevail or are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year is included in note 10. This information relates to the determination of fair value of investments with significant unobservable inputs.

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**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition and measurement

Financial instruments are required to be classified into one of the following categories: held-for-trading, fair value through profit or loss ("FVTPL"), available-for-sale, loans and receivables, assets held-to-maturity, and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or fair value through profit or loss in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities held for trading or at fair value through profit or loss are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Funds have a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Funds have not classified any of their financial instruments as available-for-sale or assets held to maturity.

(ii) Held-for-trading and fair value through profit and loss

Financial instruments classified as held-for-trading or FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Funds' derivative financial assets and derivative financial liabilities are classified as held-for-trading. The Funds' investments in securities are designated as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) is based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, bciMC determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including certain complex derivative instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and other valuation techniques commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of bciMC, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information for a similar financial asset or liability.

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**3. Significant accounting policies (continued)**

(a) Financial instruments (continued)

(iii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Funds classify cash, dividends receivable, interest receivable, accounts receivable, receivable from sale of investments, receivable from issue of units, and accrued variation margin income as loans and receivables.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iv) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Funds' classify bclMC funds management fees payable and other accounts payables as other financial liabilities.

(b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (section 10), each Fund is required to distribute, to unitholders of the respective Fund's redeemable units, the taxable income and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of bclMC.

(c) Issue and redemption of units

Participation in each Fund is expressed in units. The initial value of a unit of a Fund on inception is \$1 million. For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis.

(d) Foreign exchange

The financial statements of the Funds are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the Statement of Comprehensive Income.

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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 using the average cost basis of the respective investments. Commissions, stock exchange fees and other identifiable transaction costs that are directly attributable to the acquisition or disposal of an investment are expensed as incurred. Pursuit costs are charged to net income of the respective Funds in the period incurred.

(f) Income taxes

The Funds qualify as an inter-vivos trusts under section 108(1) of the *Income Tax Act (Canada)*. All of a Fund's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Funds do not record income taxes. Income taxes associated with any of the Funds' underlying investments are accounted for in determining the fair value of the respective investments.

(g) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 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 instruments and represents a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, and 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 on a cost recovery basis. bcIMC cost recoveries and corresponding payable are disclosed in each Fund's Statement of Comprehensive Income and Statement of Financial Position as management fees expense and payable, respectively.

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**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 year ended:

	<b>MEZZANINE MORTGAGE FUND</b>		<b>US MORTGAGE OPPORTUNITY FUND</b>		<b>PRIVATE PLACEMENT FUND 1996</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>		<b>2016</b>	<b>2015</b>
Outstanding, beginning of period	50.453	53.072	(note 1) -		0.028	0.091
Issued for cash	14.853	7.528	0.010		0.002	0.002
Issued on reinvestment of distributions	7.561	3.259	-		0.010	0.044
Consolidation of units	(7.561)	(3.259)	-		(0.010)	(0.044)
Redeemed	(25.098)	(10.147)	-		(0.015)	(0.065)
Outstanding, end of period	40.208	50.453	0.010		0.015	0.028

  

	<b>PRIVATE PLACEMENT FUND 1997</b>		<b>PRIVATE PLACEMENT FUND 1998</b>		<b>PRIVATE PLACEMENT FUND 1999</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Outstanding, beginning of period	3.438	6.024	0.329	1.991	18.037	28.229
Issued for cash	0.020	0.033	0.003	0.006	0.045	0.065
Issued on reinvestment of distributions	0.981	1.133	0.109	0.406	4.333	3.894
Consolidation of units	(0.981)	(1.133)	(0.109)	(0.406)	(4.333)	(3.894)
Redeemed	(1.728)	(2.619)	(0.169)	(1.668)	(8.241)	(10.257)
Outstanding, end of period	1.730	3.438	0.163	0.329	9.841	18.037

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**5. Redeemable units (continued)**

	<b>PRIVATE PLACEMENT FUND 1999A</b>		<b>2000 PRIVATE PLACEMENT FUND</b>		<b>2001 PRIVATE PLACEMENT FUND</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Outstanding, beginning of period	1.576	5.000	5.275	7.000	3.000	4.621
Issued for cash	0.018	0.021	0.019	0.017	0.014	0.012
Issued on reinvestment of distributions	0.112	-	1.750	1.357	1.150	1.117
Consolidation of units	(0.112)	-	(1.750)	(1.357)	(1.150)	(1.117)
Redeemed	(0.724)	(3.445)	(2.267)	(1.742)	(1.516)	(1.633)
Outstanding, end of period	<u>0.870</u>	<u>1.576</u>	<u>3.027</u>	<u>5.275</u>	<u>1.498</u>	<u>3.000</u>

  

	<b>2002 PRIVATE PLACEMENT FUND</b>		<b>2003 PRIVATE PLACEMENT FUND</b>		<b>2004 PRIVATE PLACEMENT FUND</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Outstanding, beginning of period	16.503	23.539	40.951	42.905	36.397	42.845
Issued for cash	0.033	0.023	0.061	0.065	0.166	0.624
Issued on reinvestment of distributions	3.571	3.391	18.337	1.149	2.179	2.394
Consolidation of units	(3.571)	(3.391)	(18.337)	(1.149)	(2.179)	(2.394)
Redeemed	(6.262)	(7.059)	(20.808)	(2.019)	(7.350)	(7.072)
Outstanding, end of period	<u>10.274</u>	<u>16.503</u>	<u>20.204</u>	<u>40.951</u>	<u>29.213</u>	<u>36.397</u>

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**5. Redeemable units (continued)**

	<b>2005 PRIVATE PLACEMENT FUND</b>		<b>2006 PRIVATE PLACEMENT FUND</b>		<b>2007 PRIVATE PLACEMENT FUND</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Outstanding, beginning of period	216.620	325.899	196.904	315.245	383.113	505.544
Issued for cash	0.639	1.321	0.255	2.424	5.310	8.806
Issued on reinvestment of distributions	39.229	63.769	39.420	45.328	27.629	62.969
Consolidation of units	(39.229)	(63.769)	(39.420)	(45.328)	(27.629)	(62.969)
Redeemed	(57.804)	(110.600)	(64.701)	(120.765)	(60.789)	(131.237)
Outstanding, end of period	<u>159.455</u>	<u>216.620</u>	<u>132.458</u>	<u>196.904</u>	<u>327.634</u>	<u>383.113</u>
	<b>2008 PRIVATE PLACEMENT FUND</b>		<b>2009 PRIVATE PLACEMENT FUND</b>		<b>2010 PRIVATE PLACEMENT FUND</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Outstanding, beginning of period	301.617	415.751	989.656	989.373	521.359	450.828
Issued for cash	1.883	4.016	50.240	108.328	45.165	127.866
Issued on reinvestment of distributions	50.455	45.510	63.994	37.741	14.040	11.041
Consolidation of units	(50.455)	(45.510)	(63.994)	(37.741)	(14.040)	(11.041)
Redeemed	(103.589)	(118.150)	(160.309)	(108.045)	(59.411)	(57.335)
Outstanding, end of period	<u>199.911</u>	<u>301.617</u>	<u>879.587</u>	<u>989.656</u>	<u>507.113</u>	<u>521.359</u>

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**5. Redeemable units (continued)**

	<b>2011 PRIVATE PLACEMENT FUND</b>		<b>2012 PRIVATE PLACEMENT FUND</b>		<b>2013 PRIVATE PLACEMENT FUND</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Outstanding, beginning of period	579.192	509.865	2,985.765	2,511.701	326.791	256.780
Issued for cash	137.189	123.189	560.941	771.520	73.945	102.321
Issued on reinvestment of distributions	8.661	6.737	107.807	52.883	13.611	4.127
Consolidation of units	(8.661)	(6.737)	(107.807)	(52.883)	(13.611)	(4.127)
Redeemed	(45.049)	(53.862)	(439.551)	(297.456)	(47.390)	(32.310)
Outstanding, end of period	<u>671.332</u>	<u>579.192</u>	<u>3,107.155</u>	<u>2,985.765</u>	<u>353.346</u>	<u>326.791</u>
	<b>2014 PRIVATE PLACEMENT FUND</b>		<b>2015 PRIVATE PLACEMENT FUND</b>		<b>2016 PRIVATE PLACEMENT FUND</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	
Outstanding, beginning of period	7.669	4.786	512.415	-	(note 1) -	
Issued for cash	4.545	2.955	280.585	517.603	952.729	
Issued on reinvestment of distributions	-	-	7.370	-	-	
Consolidation of units	-	-	(7.370)	-	-	
Redeemed	(0.072)	(0.072)	(165.871)	(5.188)	-	
Outstanding, end of period	<u>12.142</u>	<u>7.669</u>	<u>627.129</u>	<u>512.</u>	<u>952.729</u>	



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**5. Redeemable units (continued)**

	STRATEGIC INV 100 FOREIGN PP FUND		STRATEGIC INFRASTRUCTURE INVESTMENT FUND 2 (FOREIGN)		RENEWABLE RESOURCES INVESTMENT FUND	
	2016	2015	2016	2015	2016	2015
Outstanding, beginning of period	2,162.722	2,010.916	0.010	-	11.748	20.232
Issued for cash	783.423	151.806	1,508.580	0.010	2.826	1.131
Issued on reinvestment of distributions	-	-	-	-	-	-
Consolidation of units	-	-	-	-	-	-
Redeemed	-	-	(3.092)	-	(0.227)	(9.615)
Outstanding, end of period	2,946.145	2,162.722	1,505.498	0.010	14.347	11.748

  

	2016 RENEWABLE RESOURCES FUND		RENEWABLE RESOURCES INVESTMENT 2 FUND		IT INVESTMENT TRUST	
	2016	2015	2016		2016	2015
			(note 1)			
Outstanding, beginning of period	137.512	-	-		133.115	139.223
Issued for cash	98.125	142.831	0.010		0.238	0.195
Issued on reinvestment of distributions	13.143	10.505	-		-	-
Consolidation of units	(13.143)	(10.505)	-		-	-
Redeemed	(5.205)	(5.319)	-		(8.024)	(6.303)
Outstanding, end of period	230.432	137.512	0.010		125.329	133.115

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**6. Contingent Liability**

As a crown agent and pursuant to its enabling legislation, bclMC is immune from taxation, including in respect of assets it holds in pooled investment portfolios. The Government of Canada has contested bclMC's immunity from the imposition of goods and services tax or harmonized sales tax ("HST/GST"), in respect of costs recovered by bclMC from assets it holds in its 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. bclMC 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 bclMC holding that the pools were entitled to Crown immunity and therefore immune from HST/GST with respect to costs recovered by bclMC, but also that bclMC 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 bclMC with respect to whether bclMC is bound by the Agreements. Management is of the opinion that the Court will not deny bclMC 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 bclMC 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	US Mortgage Opportunity Fund, 2008 Private Placement Fund, 2009 Private Placement Fund, 2010 Private Placement Fund, 2011 Private Placement Fund, 2013 Private Placement Fund, 2014 Private Placement Fund, 2016 Renewable Resources Fund, Renewable Resources Investment 2 Fund, IT Investment Trust
Between 5 and 10 basis point	Mezzanine Mortgage Fund, 2006 Private Placement Fund, 2007 Private Placement Fund, 2012 Private Placement Fund, 2015 Private Placement Fund, Strategic Inv 100 Foreign PP Fund, Strategic Infrastructure Investment Fund 2 (Foreign)
Between 10 and 50 basis points	2002 Private Placement Fund, 2003 Private Placement Fund, 2004 Private Placement Fund, 2005 Private Placement Fund, 2016 Private Placement Fund
Between 50 and 120 basis points	2000 Private Placement Fund, 2001 Private Placement Fund, 1999 Private Placement Fund
Between 120 and 250 basis points	Private Placement Fund 1997, Private Placement Fund 1998, Private Placement Fund 1999A, Renewable Resources Investment Fund
Over 250 basis points**	Private Placement Fund 1996

\*As of December 31, 2016, total maximum cumulative GST owing for all of the Funds included in this set of financial statements was estimated at 6 basis points.

\*\* Private Placement Fund 1996 is in the liquidation stage, resulting in nominal net asset values at December 31, 2016. The potential estimated GST liability for this Fund is approximately \$37,000 (1,900 basis points).

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**7. Unfunded committed capital**

Unfunded capital commitments represent total commitments minus net contributions outstanding as of the reporting date. Net Contributions equals contributions less any recallable capital distributions. Recallable capital are distributions or previously contributed capital that has been returned, that may be recalled at some future date. Thus, due to changes in recallable capital, unfunded commitments may change at different reporting dates.

Furthermore, commitments to unlisted private equity investee funds and direct private equity investments are typically made in US dollars or Euro, but reported in Canadian dollars. Unfunded commitments are translated at the spot rate and net contributions are translated at historical exchange rates. Therefore, due to foreign exchange movements, unfunded commitments will vary on the reporting date.

The amounts in the table represent the contractual undiscounted cash commitments that can be called on demand.

Pooled Investment Portfolios (in \$000s)	Unfunded committed capital	
	As of December 31, 2016	As of December 31, 2015
Private Placement Fund 1996	442	1,000
Private Placement Fund 1997	16,033	16,607
Private Placement Fund 1998	-	993
Private Placement Fund 1999	4,559	5,536
Private Placement Fund 1999A	134	1,059
2000 Private Placement Fund	2,530	8,193
2001 Private Placement Fund	1,059	2,272
2002 Private Placement Fund	3,678	4,546
2003 Private Placement Fund	30,901	7,871
2004 Private Placement Fund	9,232	9,328
2005 Private Placement Fund	49,683	58,944
2006 Private Placement Fund	52,350	67,005
2007 Private Placement Fund	175,639	91,860
2008 Private Placement Fund	96,658	131,770
2009 Private Placement Fund	69,935	99,699
2010 Private Placement Fund	80,578	117,738
2011 Private Placement Fund	117,262	252,156
2012 Private Placement Fund	274,177	381,230
2013 Private Placement Fund	457,367	625,052
2014 Private Placement Fund	812,256	1,037,701
2015 Private Placement Fund	927,393	1,208,468
2016 Private Placement Fund	3,074,438	-
Strategic Inv 100 Foreign PP Fund	260,121	1,467,437
Strategic Infrastructure Investment Fund 2 (Foreign	488,027	-
Renewable Resources Investment Fund	8	8
2016 Renewable Resources Fund	-	222,894
Renewable Resources Investment 2 Fund	-	-
IT Investment Trust	-	-

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8. 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 as at Fair Value Through Profit or Loss – Investments	Total Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss	Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss		
				Realized	Unrealized	Total
Mezzanine Mortgage Fund	-	18,818	18,818	34,206	(15,388)	18,818
US Mortgage Opportunity Fund	-	-	-	-	-	-
Private Placement Fund 1996	-	(51)	(51)	151	(202)	(51)
Private Placement Fund 1997	-	6	6	4,267	(4,261)	6
Private Placement Fund 1998	-	521	521	2,505	(1,984)	521
Private Placement Fund 1999	-	(375)	(375)	8,208	(8,583)	(375)
Private Placement Fund 1999A	-	(190)	(190)	388	(578)	(190)
2000 Private Placement Fund	-	641	641	7,443	(6,802)	641
2001 Private Placement Fund	-	(505)	(505)	5,088	(5,593)	(505)
2002 Private Placement Fund	-	(2,113)	(2,113)	10,521	(12,634)	(2,113)
2003 Private Placement Fund	-	(12,487)	(12,487)	29,927	(42,414)	(12,487)
2004 Private Placement Fund	-	(2,063)	(2,063)	2,101	(4,164)	(2,063)
2005 Private Placement Fund	-	(10,530)	(10,530)	45,874	(56,404)	(10,530)
2006 Private Placement Fund	-	(54,362)	(54,362)	88,289	(142,651)	(54,362)
2007 Private Placement Fund	-	39,879	39,879	48,881	(9,002)	39,879
2008 Private Placement Fund	-	41,958	41,958	169,661	(127,703)	41,958
2009 Private Placement Fund	-	52,761	52,761	45,761	6,996	52,757
2010 Private Placement Fund	-	23,262	23,262	12,048	11,214	23,262
2011 Private Placement Fund	-	43,229	43,229	9,851	33,378	43,229
2012 Private Placement Fund	-	82,301	82,301	25,609	56,692	82,301
2013 Private Placement Fund	-	100,765	100,765	35,295	65,470	100,765
2014 Private Placement Fund	-	76,966	76,966	414	76,552	76,966
2015 Private Placement Fund	-	138,097	138,097	15,759	122,337	138,096
2016 Private Placement Fund	-	(10,359)	(10,359)	-	(10,359)	(10,359)
Strategic Inv 100 Foreign PP Fund	-	(97,375)	(97,375)	(3,772)	(93,603)	(97,375)
Strategic Infrastructure Investment Fund 2 (Foreign)	-	18,756	18,756	(268)	19,024	18,756
Renewable Resources Investment Fund	-	1,382	1,382	63	1,319	1,382
2016 Renewable Resources Fund	-	38,285	38,285	(44)	38,328	38,284
Renewable Resources Investment 2 Fund	-	-	-	-	-	-
IT Investment Trust	-	4,560	4,560	(11)	4,571	4,560

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8. 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 as at Fair Value Through Profit or Loss – Investments	Total Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss	Net Gain (Loss) from Financial Assets Designated as at Fair Value Through Profit or Loss		
				Realized	Unrealized	Total
Mezzanine Mortgage Fund	-	12,253	12,253	13,747	(1,494)	12,253
Private Placement Fund 1996	-	56	56	817	(761)	56
Private Placement Fund 1997	-	4,051	4,051	5,121	(1,070)	4,051
Private Placement Fund 1998	-	1,656	1,656	7,318	(5,662)	1,656
Private Placement Fund 1999	-	5,287	5,287	7,941	(2,354)	5,587
Private Placement Fund 1999A	-	419	419	(852)	1,271	419
2000 Private Placement Fund	-	1,651	1,651	5,605	(3,954)	1,651
2001 Private Placement Fund	-	3,098	3,098	5,107	(2,009)	3,098
2002 Private Placement Fund	-	8,231	8,231	10,521	(2,290)	8,231
2003 Private Placement Fund	-	10,803	10,803	2,590	8,213	10,803
2004 Private Placement Fund	-	2,460	2,460	2,445	15	2,460
2005 Private Placement Fund	-	57,624	57,624	76,992	(19,368)	57,624
2006 Private Placement Fund	-	146,170	146,170	114,613	31,557	146,170
2007 Private Placement Fund	-	66,444	66,444	102,729	(36,285)	66,444
2008 Private Placement Fund	-	284,596	284,596	135,979	148,617	284,596
2009 Private Placement Fund	-	138,270	138,270	25,368	112,902	138,270
2010 Private Placement Fund	-	86,496	86,496	8,909	77,587	86,496
2011 Private Placement Fund	-	139,590	139,590	7,492	132,098	139,590
2012 Private Placement Fund	-	105,745	105,745	11,280	94,465	105,745
2013 Private Placement Fund	-	202,209	202,209	9,743	192,466	202,209
2014 Private Placement Fund	-	21,665	21,665	218	21,447	21,665
2015 Private Placement Fund	-	61,966	61,966	214	61,752	61,966
Strategic Inv 100 Foreign PP Fund	-	380,997	380,997	(3,443)	384,440	380,997
Renewable Resources Investment Fund	-	(13,040)	(13,040)	643	(13,683)	(13,040)
2016 Renewable Resources Fund	-	9,787	9,787	(51)	9,838	9,787
IT Investment Trust	-	15,722	15,722	91	15,631	15,722

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**9. Financial risk management**

(a) Risk management framework

Each Fund has its own investment objectives. The Funds' overall risk management program seeks to minimize the potentially adverse effect of risk on the Funds' financial performance in a manner consistent with the Funds' investment objectives. The mandates and investment policies are described below.

Mezzanine Mortgage Fund

The Mezzanine Mortgage Fund invests in highly levered real estate loans that provide investors with higher returns to compensate for the increased risks. These mortgages may provide fixed term or construction financing for multi-family residences (e.g. apartments, condominiums, and seniors' developments), office, retail and industrial buildings. The Fund does not provide mortgages for a single-family house. The Fund maintains a prudent level of diversification. The additional risks associated with construction projects are mitigated by requiring the involvement of only experienced developers, obtaining construction engineer evaluations, requiring significant pre-sales/pre-leasing levels and sufficient profit margin levels, as well as obtaining additional security provisions from borrowers. The performance benchmark for the Mezzanine Mortgage Fund is the FTSE TMX Canada 365 Day T-Bill Index plus 250 basis points.

The Fund invests in the following securities:

- Canadian first mortgages,
- Canadian second and third mortgages, and/or equity participation investments with CIO approval,
- Canadian first, second, and third mortgages, and/or equity participation investments, on properties classified as hotel, motel or recreational, with CIO approval,
- Units/shares in Canadian mortgage trusts, mortgage funds, limited partnerships, co-investment agreements, and parallel investments agreements where the underlying assets comply with these investment policies, with CIO approval,
- bcIMC Canadian Money Market Funds (ST1) and (ST2), and
- Units in the Floating Rate Funds.

The following restrictions apply to the holding of securities in the Fund:

- Mortgages must be eligible investments under the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.
- No mortgage will be made without a site inspection, current market appraisal and a current environmental audit.
- The Fund may not invest in derivatives.

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**9. Financial risk management (continued)**

(a) Risk management framework (continued)

US Mortgage Opportunity Fund

The US Mortgage Opportunity Fund is an open participation pool consisting of higher risk real estate loans that provide investors with higher returns to compensate for the increased risks. These mortgages may provide fixed term or construction financing for multi-family residences, office, retail, hospitality, industrial buildings and land development. The Pool does not provide mortgages for single-family homes, however it may provide financing on single-family land subdivisions. The Fund maintains a prudent level of diversification. The additional risks associated with construction projects are mitigated by requiring the involvement of only experienced developers, obtaining construction engineer evaluations, requiring significant pre-sales/pre-leasing levels and sufficient profit margin levels, as well as, obtaining additional security provisions from borrowers where applicable. The performance benchmark for the US Mortgage Opportunity Fund is the Bank of America Merrill Lynch US Treasuries (1-10 Year) Index + 3.0% over a 4 year moving average.

The Fund invests in the following securities:

- US first, second and third mortgages, structured financing, and/or equity participation investments, on properties or raw land,
- Directly or indirectly, units/shares in US mortgage trusts, mortgage funds, limited partnerships, co-investment agreements, and parallel investment agreements where the underlying assets comply with these investment policies,
- Units in pooled funds of external managers provided such holdings are permissible investments for the Pool, and
- Units in the US Dollar Money Market Fund (ST3) and other bclMC short-term fixed income pooled funds for cash management purposes.

The following restrictions apply to the holding of securities in the Fund:

- Mortgages must be eligible investments under the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.
- No mortgage will be made without a site inspection, current market appraisal and a current environmental audit.
- The Fund may not invest in derivatives.

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**9. Financial risk management (continued)**

(a) Risk management framework (continued)

Private Placement Vintage Funds

The Private Placement Vintage Funds invest in privately negotiated transactions involving private, and on occasion, public companies. Investments consist primarily of debt, equity or hybrid securities of investee companies. bclMC typically invests in private placements through limited partnerships managed by external fund managers. On occasion, bclMC invests directly in companies alongside investments made by its external managers (known as co-investments) or independently. The partnerships invest in domestic and international companies at various stages of development, and are related to early-stage or late-stage venture capital, buy-out, or senior or subordinated debt financing. The investment objectives of the Private Placement Vintage Funds are to provide a higher rate of return than the Morgan Stanley Capital International (MSCI) All Country World Net Index plus 200 basis points on equity investments, and a nominal rate of return on fixed income investments of at least 8 percent. The Private Placement Program has the following long-term diversification targets based on geographic region and investment purpose (venture capital, growth expansion, buyouts and other).

Geographic Targets	Range
Canada	10% to 40%
United States	20% to 50%
Europe	15% to 45%
Asia	5% to 30%
Emerging Markets	0% to 20%

Investment Purpose Targets	Range
Venture Capital/Growth Expansion	10% to 25%
Buyouts	55% to 80%
Other	0% to 20%

The geographic ranges relate to the investment focus rather than the locations of the fund managers. The composition of the investments within individual Private Placement Vintage Funds may deviate significantly from these targets, so unitholders may need to invest in successive vintage years to achieve the above long-term diversification targets.

The Private Placement Vintage Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios,
- publicly traded common stock or fixed income securities,
- derivatives, with CIO approval, such as, but not limited to, spot contracts, forwards, futures, swaps and options, to manage interest rate risk and currency exposure,
- units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3 (money market funds) and/or Currency Hedging Funds, and
- Units in the Floating Rate Funds.

The following restrictions apply to the Private Placement Vintage Funds' investing activities:

- Direct investments may not exceed 20 percent of the total funds within the Private Placement Program.
- Direct investments in one particular company may not exceed 30 percent of the Private Placement Program's allocation to direct investments (calculated based on commitment values).
- No fund or direct investment will be made without extensive due diligence reviews being completed by bclMC.
- The Fund may not sell short, borrow securities, or purchase securities via a margin account.
- The investments must comply with the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.



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**9. Financial risk management (continued)**

(a) Risk management framework (continued)

Infrastructure Funds

The Strategic Inv 100 Foreign PP Fund and Strategic Infrastructure Investment Fund 2 (Foreign) are part of the Infrastructure Program. The Infrastructure Funds seek to invest in tangible long-life assets with potential for strong cash flows and favourable risk-return characteristics that provide an attractive match with participants' liabilities. Investments in the Funds are global in scope and typically include physical assets that provide essential services such as utilities, energy, and transportation. The Funds invest directly in the equity of privately held companies and selectively through private limited partnerships managed by external fund managers. Occasionally, the Funds invest in publicly traded securities, or private or public debt instruments for the purpose of gaining a meaningful position in a company. These positions may be taken to effect privatization or to maintain exposure to companies that own certain infrastructure assets but may not be investable in private markets at attractive valuations. The investment objective of the Funds are to provide a nominal annual rate of return of at least 7 percent.

The Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, common and/or preferred shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios,
- publicly traded common stock or common stock equivalents including preferred shares, instalment receipts, convertible securities, as well as rights and warrants received via corporate actions,
- derivatives, with CIO approval, such as, but not limited to, spot contracts, forwards, futures, swaps and options, to manage interest rate risk, currency exposure, and other investment risks,
- money market securities rated A-1(Low) or better and units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3 (money market funds),
- publicly traded fixed income securities,
- privately negotiated fixed income securities, and
- Units in the Floating Rate Funds.

The following restrictions apply to the Funds' investing activities:

- No fund investment or direct investment will be made without extensive due diligence reviews being completed by bclMC.
- The Funds may not sell short, borrow securities, or purchase securities via a margin account.
- The investments must comply with the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.

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**9. Financial risk management (continued)**

(a) Risk management framework (continued)

Renewable Resources Investment Funds

The Renewable Resources Investment Fund, 2016 Renewable Resources Fund (formerly 2015A Private Placement Fund), Renewable Resources Investment 2 Fund, and IT Investment Trust are part of the Renewable Resources Investment Funds Program. The Funds seek to invest in tangible long-life renewable resource assets with potential for strong cash flows and favourable risk-return characteristics that provide an attractive match with participants' liabilities. Investments in the Funds are global in scope and typically include physical assets that are used in the production of food for human consumption and wood-based products. Renewable resource assets targeted by the Funds will primarily include timberland plantations and farmlands, but may also target renewable resources used for energy production. The Funds invest directly in the equity of privately held companies and assets and selectively through private limited partnerships managed by external fund managers. Occasionally, the Funds invest in publicly traded securities, or private or public debt instruments for the purpose of gaining a meaningful position in a company. These positions may be taken to effect privatization or to maintain exposure to companies that own certain infrastructure assets but may not be investable in private markets at attractive valuations. The investment objective of the Funds is to provide a nominal annual rate of return of at least 7 percent.

The Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, common and/or preferred shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios,
- publicly traded common stock or common stock equivalents including preferred shares, instalment receipts, convertible securities, as well as rights and warrants received via corporate actions,
- derivatives, with CIO approval, such as, but not limited to, spot contracts, forwards, futures, swaps and options, to manage interest rate risk, currency exposure, and other investment risks,
- money market securities rated A-1(Low) or better and units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3 (money market funds),
- publicly traded and privately negotiated fixed income securities,
- real estate investments including, but not limited to, trust units, partnership interests, shares, and debt. Leverage is permitted on real estate to a maximum of 25 percent, however, another 5 percent is allowed for the assumption or renewal of existing debt, and
- Units in the Floating Rate Funds.

The following restrictions apply to the Funds' investing activities:

- No fund or direct investment will be made without extensive due diligence reviews being completed by bclMC.
- The Funds may not sell short, borrow securities, or purchase securities via a margin account.
- The investments must comply with the *Pensions Benefits Standards Act*, R.S.B.C. 1996, c. 352.

Financial Risks

In the normal course of business, each Fund is exposed to financial risks including credit risk, liquidity risk, and market risk (including interest rate, currency and other price risks). The level of risk varies depending on the investment objective of the Fund and type of investments it holds.

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**9. Financial risk management (continued)**

**(b) Credit risk**

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Fund's maximum exposure to credit risk.

To avoid undue credit risk, the Funds have established specific investment criteria, such as minimum credit ratings for investees and counterparties. Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving derivative contracts and securities lending. In order to minimize counterparty risk, counterparties are required to provide adequate collateral and meet minimum credit rating requirements. 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, derivatives and mortgages are subject to interest rate risk. The Funds that hold these investments have established duration bands based on their relevant benchmarks to avoid undue active interest rate risk.

See additional discussion of interest rate risk in the Financial Risk Management Discussion following each Fund's financial statements.

(ii) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Funds will fluctuate due to changes in foreign exchange rates.

Some Funds are exposed to currency risk through holding of investments, investment receivables and investment liabilities in various currencies. The Funds may use foreign currency contracts to hedge some foreign currency exposure on investment-related receivables and liabilities and engage in the buying and selling of currencies through the spot market, forward contracts, futures contracts, and/or options in order to achieve the desired currency exposure.

See additional discussion of currency risk in the Financial Risk Management Discussion following each Fund's financial statements.

(iii) Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

All financial instruments are subject to other price risk and a potential loss of capital. The maximum risk is determined by the market value of the financial instruments. The Funds may not sell short, borrow securities, or purchase securities on margin, which limits the potential loss of capital. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk.

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**9. Financial risk management (continued)**

(d) Market risk (continued)

(iii) Other price risk (continued)

Other market price risk arises from the Fund's investments in direct private equity, in direct private debt, and in unlisted private equity investee funds, whose valuation is based on the valuation of the underlying companies of those investee funds. The Fund invests in such financial assets in order to take advantage of their long-term growth. All investments present a risk of loss of capital. bcIMC management moderates this risk through careful selection of the investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid.

The Fund makes commitments to a diversified portfolio of private equity, private debt and private infrastructure funds, managed by managers with a strong track record. The Fund diversifies its portfolio of investee funds across managers, underlying industries, countries and investment stages.

bcIMC management follows a rigorous investment due diligence process prior to making an investment decision. bcIMC management considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the underlying manager of the investee funds through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an investment agreement, gathered information is confirmed through reference checks or through bcIMC's standing data and experience.

See additional discussion of other price risk in the Financial Risk Management Discussion following each Fund's financial statements.

**10. Fair value of financial instruments**

(a) Fair value hierarchy

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1 inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 inputs that are unobservable.

See additional discussion on the three-tier hierarchy in the Fair Value Measurement Discussion following each Fund's financial statements.

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**10. Fair value of financial instruments (continued)**

**(b) Valuation models**

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds use widely recognized valuation methods for determining the fair value of common and more simple financial instruments such as foreign currency contracts and money market instruments that use only observable market data which requires little management judgment and estimation. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices 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.

For more complex instruments, such as private equity and debt, the Funds use proprietary valuation models, which are usually developed from recognized valuation methods. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates, or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Funds believe that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Funds and the counterparties where appropriate.

**(c) Valuation framework**

The Funds have an established framework with respect to the measurement of fair values. Where possible, for direct private equity and debt investments held by the Funds, external, independent valuation specialists are engaged annually to assist in the determination of fair value. In those circumstances where the Funds are reliant on a third party manager for the determination of fair value, bcIMC reviews the appropriateness of such valuations using audited financial statements of the underlying investments, and other information from the underlying third party manager or other sources.

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**10. Fair value of financial instruments (continued)**

(c) Valuation framework (continued)

In addition, bcIMC applies the following specific controls in relation to the determination of fair values:

- verification of observable pricing inputs;
- analysis and investigation of significant valuation movements; and
- review of unobservable inputs and valuation adjustments.

When third party information, such as broker quotes or pricing services, is used to measure fair value, then bcIMC management assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations are appropriate. This includes:

- verifying that the broker or pricing service is approved by the Funds for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

(d) Financial instruments not measured at fair value

The carrying value of bcIMC funds management fees payable and other accounts payable approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

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**11. Income taxes**

Net cumulative capital losses and non-capital losses for each Fund are as follows:

Pooled Investment Portfolios (in \$000s)	As of December 31, 2016		As of December 31, 2015	
	Net Capital Losses	Non-capital Losses	Net Capital Losses	Non-capital Losses
Mezzanine Mortgage Fund	-	-	-	-
US Mortgage Opportunity Fund	-	-	-	-
Private Placement Fund 1996	170	-	170	-
Private Placement Fund 1997	185	-	185	-
Private Placement Fund 1998	94	-	94	-
Private Placement Fund 1999	35	-	35	-
Private Placement Fund 1999A	29	-	29	98
2000 Private Placement Fund	1,559	-	1,559	-
2001 Private Placement Fund	6	-	6	-
2002 Private Placement Fund	7	-	7	-
2003 Private Placement Fund	9	-	9	-
2004 Private Placement Fund	-	-	-	-
2005 Private Placement Fund	8	-	7	-
2006 Private Placement Fund	3,405	-	3,405	-
2007 Private Placement Fund	-	-	-	-
2008 Private Placement Fund	3,161	-	3,161	-
2009 Private Placement Fund	3	-	2	-
2010 Private Placement Fund	-	-	-	-
2011 Private Placement Fund	-	-	-	-
2012 Private Placement Fund	-	-	-	-
2013 Private Placement Fund	-	-	-	-
2014 Private Placement Fund	-	3,617	-	3,512
2015 Private Placement Fund	-	-	-	6,537
2016 Private Placement Fund	-	8,247	-	-
Strategic Inv 100 Foreign PP Fund	88,446	-	87,887	-
Strategic Infrastructure Investment Fund 2 (Foreign)	-	15,135	-	6
Renewable Resources Investment Fund	-	2,077	-	498
2016 Renewable Resources Fund (formerly 2015A Private Placement Fund)	95	-	51	-
Renewable Resources Investment 2 Fund	-	-	-	-
IT Investment Trust	-	466	-	333



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**11. Income taxes (continued)**

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income. The Funds' non-capital losses expire as follows:

Pooled Investment Portfolios (in \$000s)	Year of Expiry							
	2030	2031	2032	2033	2034	2035	2036	Total
Mezzanine Mortgage Fund	-	-	-	-	-	-	-	-
US Mortgage Opportunity Fund	-	-	-	-	-	-	-	-
Private Placement Fund 1996	-	-	-	-	-	-	-	-
Private Placement Fund 1997	-	-	-	-	-	-	-	-
Private Placement Fund 1998	-	-	-	-	-	-	-	-
Private Placement Fund 1999	-	-	-	-	-	-	-	-
Private Placement Fund 1999A	-	-	-	-	-	-	-	-
2000 Private Placement Fund	-	-	-	-	-	-	-	-
2001 Private Placement Fund	-	-	-	-	-	-	-	-
2002 Private Placement Fund	-	-	-	-	-	-	-	-
2003 Private Placement Fund	-	-	-	-	-	-	-	-
2004 Private Placement Fund	-	-	-	-	-	-	-	-
2005 Private Placement Fund	-	-	-	-	-	-	-	-
2006 Private Placement Fund	-	-	-	-	-	-	-	-
2007 Private Placement Fund	-	-	-	-	-	-	-	-
2008 Private Placement Fund	-	-	-	-	-	-	-	-
2009 Private Placement Fund	-	-	-	-	-	-	-	-
2010 Private Placement Fund	-	-	-	-	-	-	-	-
2011 Private Placement Fund	-	-	-	-	-	-	-	-
2012 Private Placement Fund	-	-	-	-	-	-	-	-
2013 Private Placement Fund	-	-	-	-	-	-	-	-
2014 Private Placement Fund	-	-	-	-	2,661	851	105	3,617
2015 Private Placement Fund	-	-	-	-	-	-	-	-
2016 Private Placement Fund	-	-	-	-	-	-	8,247	8,247
Strategic Inv 100 Foreign PP Fund	-	-	-	-	-	-	-	-
Strategic Infrastructure Investment Fund 2 (Foreign)	-	-	-	-	-	-	15,135	15,135
Renewable Resources Investment Fund	-	-	-	-	-	498	1,579	2,077
2016 Renewable Resources Fund (formerly 2015A Private Placement Fund)	-	-	-	-	-	-	-	-
Renewable Resources Investment 2 Fund	-	-	-	-	-	-	-	-
IT Investment Trust	-	-	-	129	100	103	134	466



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