BCI QuadReal Realty

Financial Statements

December 2021

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

British Columbia Investment Management Corporation (BCI) manages Pooled Investment Portfolios on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. QuadReal Property Group Limited Partnership and affiliates ("QuadReal") manage the Mortgage and Real Estate programs pursuant to asset management agreements as agreed to between BCI and QuadReal. This report contains the financial statements for the BCI QuadReal Realty, Pooled Investment Portfolio for the year ended December 31, 2021.

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

BCI's Board has established an Audit Committee. The BCI Audit Committee's mandate includes oversight of the financial statements of the Pooled Investment Portfolio managed by QuadReal through a governance framework established with QuadReal's Board and Audit Committee. Through this governance framework, the BCI Committee mandate is executed through oversight from QuadReal's Audit Committee and includes making recommendations on the appointment of the external auditor for the Pooled Investment Portfolio, reviewing the external audit plan, reviewing BCI's Service Organization Controls Report for the Investment System of British Columbia Investment Management Corporation, including QuadReal related controls, and reviewing the annual audited financial statements of the Pooled Investment Portfolios. The BCI Committee and QuadReal Committee review the recommendations of the internal and external auditors with respect to internal controls and the responses of management to those recommendations, and also meet with management and the internal and external auditors to review annual audit plans.

BCI and QuadReal maintain a system 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. BCI's and QuadReal'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 adherence to BCI Board-approved Pooled Investment Portfolio Policies and client-approved investment mandates. BCI's and QuadReal's system of internal control is supported by external auditors who review and evaluate internal controls and report directly to the BCI and QuadReal Audit Committees.

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

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer, BCI
Chief Investment Officer, BCI

[S] Dennis Lopez

Dennis Lopez
Chief Executive Officer, QuadReal

[S] Tamara Lawson

Tamara Lawson
Chief Financial Officer, QuadReal

April 11, 2022

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Unitholders of BCI QuadReal Realty

Opinion

We have audited the financial statements of BCI QuadReal Realty (the "Fund"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of comprehensive income (loss) for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Matter – Comparative Information

The financial statements for the year ended December 31, 2020 were audited by another auditor who expressed an unqualified opinion on those financial statements on April 12, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 11, 2022

BCI QUADREAL REALTY

Statement of Financial Position
(Expressed in thousands of Canadian dollars, except number of units)

December 31, 2021, with comparative information for 2020

	Notes	2021	2020
Assets			
Cash		$ 715,510	$ 38,892
Interest and other receivables		50,258	6,921
Loan receivable	4	100,000	-
Loan receivable from related party	6	1,452,189	1,059,369
Due from related party	6	62,475	71,577
Investments at fair value through profit or loss	5, 11, 12	13,761,324	14,576,256
Total assets		16,141,756	15,753,015
Liabilities			
Commercial paper	9	-	469,814
Notes payable	10	1,468,993	717,560
Due to related parties	6	332,403	-
Fund manager cost recoveries payable	6	10,810	13,218
Other accounts payable and accruals		14,522	7,403
Total liabilities excluding net assets attributable to the holders of redeemable units		1,826,728	1,207,995
Net assets attributable to holders of redeemable units		$ 14,315,028	$ 14,545,020
Number of redeemable units outstanding	7	1,179.401	1,329.972
Net assets attributable to holders of redeemable units per unit		**$ 12,138**	**$ 10,936**

Commitments and contingencies	14
Subsequent events	15

See accompanying notes to financial statements.

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer, BCI
Chief Investment Officer, BCI

BCI QUADREAL REALTY

Statement of Comprehensive Income (Loss)
(Expressed in thousands of Canadian dollars, except number of units)

Year ended December 31, 2021 with comparative information for 2020

	Notes	2021	2020
Revenue:			
Investment income		$ 20,649	$ 271,616
Changes in fair value of investments:			
Net realized loss		(19,413)	(17,261)
Net change in unrealized appreciation (depreciation)	12	1,607,177	(478,692)
		1,608,413	(224,337)
Expenses:			
Fund manager cost recoveries	6	3,759	13,589
Interest expense and other		30,854	16,302
Administrative and professional fees		1,846	2,042
		36,459	31,933
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		1,571,954	(256,270)
Distributions to holders of redeemable units		(117,884)	(179,579)
Increase (decrease) in net assets attributable to holders of redeemable units		$ 1,454,070	$ (435,849)

See accompanying notes to financial statements.

BCI QUADREAL REALTY

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units
(Expressed in thousands of Canadian dollars, except number of units)

Year ended December 31, 2021, with comparative information for 2020

	Notes	2021	2020
Balance, beginning of year		$ 14,545,020	$ 14,666,141
Increase (decrease) in net assets attributable to holders of redeemable units		1,454,070	(435,849)
Redeemable unit transactions:	7		
Proceeds from units issued		625,442	538,396
Reinvestment of distributions		117,884	179,579
Amounts paid for units redeemed		(2,427,388)	(403,247)
		(1,684,062)	314,728
Balance, end of year		$ 14,315,028	$ 14,545,020

See accompanying notes to financial statements.

BCI QUADREAL REALTY

Statement of Cash Flows
(Expressed in thousands of Canadian dollars, except number of units)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash flows provided by (used in):		
Operations:		
Increase (decrease) in net assets attributable to holders of redeemable units	$ 1,454,070	$ (435,849)
Adjustments for:		
Interest revenue	(103,740)	(45,403)
Interest collected	82,986	39,366
Net realized loss from investments	19,413	17,261
Net change in unrealized appreciation (depreciation)	(1,607,177)	478,069
Interest expense	30,720	16,302
Interest paid	(27,705)	(11,705)
Non-cash distributions	117,884	179,579
Proceeds from sale of investments	5,241,940	2,695,507
Purchase of investments	(2,839,027)	(2,924,870)
Amortization of credit facility	-	1,312
Amortization of commercial paper	2,447	635
Interest and other receivables	(22,614)	(121,059)
Fund manager cost recoveries payable	(2,408)	4,332
Other accounts payable and accruals	4,105	(3,763)
	2,350,894	(110,286)
Financing:		
Addition to credit facility	313,794	121,999
Repayment of credit facility	(313,794)	(302,434)
Addition to commercial paper	8,386,453	2,749,256
Repayment of commercial paper	(8,858,900)	(2,280,077)
Addition to notes payable	751,433	700,000
Addition to due from related party	9,102	71,577
Addition to due to related party	332,403	-
Advances on loan receivable	(100,000)	-
Advances on loan receivable from related party	(392,821)	(1,059,369)
Proceeds from units issued	625,442	538,396
Redemption of units	(2,427,388)	(403,247)
	(1,674,276)	136,101
Net increase in cash during the year	676,618	25,815
Cash, beginning of year	38,892	13,077
Cash, end of year	$ 715,510	$ 38,892

See accompanying notes to financial statements.

BCI QUADREAL REALTY

Schedule of Investments
(Expressed in thousands of Canadian dollars, except number of units)

Year ended December 31, 2021, with comparative information for 2020

	December 31, 2021		December 31, 2020	
	Fair value	Cost	Fair value	Cost
Real Estate Investments[1]	$13,761,324	$5,822,113	$14,576,256	$ 8,225,025
Total investments	$13,761,324	$5,822,113	$14,576,256	$ 8,225,025

[1] Real estate investments are held through private corporations, trusts, and limited partnerships funded by a combination of equity and debt (notes 5, 11, and 12).

See accompanying notes to financial statements.

1. The portfolio:

British Columbia Investment Management Corporation ("BCI") 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 BCI's registered office is at 750 Pandora Avenue, Victoria, British Columbia, Canada.

QuadReal Property Group Limited Partnership ("QuadReal") and affiliates manage BCI QuadReal Realty (the "Fund") pursuant to an Asset Management Agreement between BCI and QuadReal. These financial statements have been prepared by QuadReal.

Under the *Public Sector Pensions Plans Act* and the *Pooled Investment Portfolios Regulation, B.C. Reg. 447/99*, BCI 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 previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation* ("Regulations"), *B.C. Reg. 84/86*, were continued under the *Pooled Investment Portfolios Regulation, B.C Reg. 447/99*, to be held in trust by BCI and invested by the Chief Investment Officer of BCI.

The Fund was established on July 31, 1991 and invests in diversified Canadian real estate properties through wholly owned entities including institutional grade Canadian office, industrial, residential, retail, hospitality, and mixed-use properties, as well as publicly traded equities and money market instruments.

Effective January 27, 2020, the Fund's legal name changed from Realpool Investment Fund to BCI QuadReal Realty.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). These financial statements were authorized for issue by the Chief Executive Officer/Chief Investment Officer on April 11, 2022.

(b) Basis of consolidation:

Real estate investments are held through subsidiaries of the Fund, which include private corporations, trusts, and limited partnerships funded by a combination of equity and debt. The Fund is an investment entity, and as such, does not consolidate the entities it controls. Instead, interests in subsidiaries are classified at fair value through profit and loss and measured at fair value.

2. Basis of preparation (continued):

(b) Basis of consolidation (continued):

The Fund qualifies as an investment entity as it meets the following definition of an investment entity outlined in IFRS 10, *Consolidated Financial Statements* ("IFRS 10"):

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measures and evaluates the performance of substantially all its investments on a fair value basis.

(c) Basis of measurement:

These financial statements have been prepared on a cost basis, except for investments held at fair value through profit or loss ("FVTPL"), commercial paper, and notes payable which are measured at fair value.

(d) Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is the Fund's functional currency.

(e) Use of estimates and judgement:

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. In determining the fair value of some of its investments, management reviews and assesses the estimates and assumptions provided by managers regarding investment industry performance and prospects, as well as general business and economic conditions that 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.

On March 11, 2020, the outbreak of the novel strain of the coronavirus ("COVID-19") was declared a pandemic by the World Health Organization ("WHO"), prompting many national, regional, and local governments to implement preventative or protective measures. As a result, COVID-19 and the related restrictive measures have had a significant financial and market impact including significant volatility in equity prices, interest rates, bond yields, and foreign exchange rates.

---

2. Basis of preparation (continued):

(e) Use of estimates and judgement (continued):

The Fund continues to monitor their operations, liquidity, capital resources and are actively working to minimize the current and future impact of COVID-19. The duration and impact of COVID 19 is unknown at this time; as such, it is not reasonably possible to evaluate the impact of the pandemic on the Fund in future periods.

The valuation of investment properties incorporates significant estimates and assumptions that have been impacted by COVID-19.

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 significant risk of resulting in a material adjustment within the next fiscal year is included in note 12 and relate to the determination of fair value of investments with significant unobservable inputs.

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:

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 FVTPL, in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position, only when the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(*i*) Recognition and measurement (continued):

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified and measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Fund may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Fund has not classified any of its financial assets as FVOCI.

Financial liabilities are generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at FVTPL such as derivative financial liabilities. The Fund may, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

3. Significant accounting policies (continued):

(a) Financial instruments (continued):

(*ii*) Fair value through profit and loss:

Financial instruments classified as 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 Fund's investments and redeemable units 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 Fund's 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 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 others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of management, be inaccurate, unreliable or not readily available, the fair value is estimated based on the most recently reported information of a similar financial asset or liability.

(*iii*) Amortized cost:

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus or minus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Fund classifies cash, interest and other receivables, loan receivable, loan receivable from related party, due from related party, due to related party, fund manager cost recoveries payable, other accounts payable and accruals, as amortized cost.

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 throughout the expected life of the financial asset or liability, or where appropriate, a shorter period.

3. Significant accounting policies (continued):

(b) Redeemable units:

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the Regulations, the Fund is required to distribute, to holders of the 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 Net Asset Value ("NAV"). Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized.

(c) Issuance and redemption of units:

Participation in the Fund is expressed in units. The initial value of a unit on inception was $1,000. For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the Fund by the total number of units outstanding. Where the Fund invests in another BCI 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) Income recognition:

Investment income is recognized on an accrual basis using the effective interest method. Portfolio transactions are recorded on the trade date. Dividend income is recognized on the date that the right to receive payment is established. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments. The year-over-year change in the difference between the fair value and the cost of the investments held at year-end is recognized as a net change in unrealized appreciation. Commissions, stock exchange fees and other identifiable transaction costs that are directly attributable to the acquisition or disposal on an investment are expensed as incurred. Pursuit costs are charged to net income of the Fund in the period incurred.

(e) Income taxes:

The Fund is established in accordance with the Pooled Investment Portfolios Regulation and its assets are held in trust by BCI; it is immune from taxation by virtue of BCI being a provincial Crown agent.

4. Loan receivable:

The Fund entered into a non-revolving unsecured credit facility in the amount of $100,000 with a joint venture partner, Canadian Core Real Estate LP (“Borrower”). The loan was provided solely to bridge financing to the Borrower for the balance of the purchase price in respect of certain investment properties sold by subsidiaries of the Fund.

The loan bears interest at a rate equal to the current rate on bankers’ acceptances and was subsequently repaid subsequent to December 31, 2021 (note 15).

5. Investments at fair value through profit and loss:

The Fund manages the following types of investments and determines fair value as follows:

(*i*) Real estate investments:

Real estate investments consist of equity and debt investments in 114 wholly-owned (2020 - 101) and 6 partially-owned (2020 - 27) subsidiary entities which are corporations, limited partnerships and trusts (all established in Canada). These subsidiaries qualify as investments and are not consolidated in these financial statements but are instead reported at fair value.

The fair value of subsidiary entities (corporations, limited partnerships and trusts) is determined by the NAV of the entity, which is a sum of the fair value of the real estate properties and underlying entities, net of the fair value of issued mortgages and notes and the other short-term assets and liabilities. Fair value for the real estate properties and/or other entities held by the subsidiaries is primarily determined using discounted cash flows based on various factors such as operating income, discount rate and terminal capitalization rates, or market comparatives.

6. Related party transactions:

The Fund’s related parties include QuadReal, BCI, the Province of British Columbia and related entities investments where the Fund has a controlling interest or significant influence, entities with common ownership and other related entities for which the Fund provides investment management services. The Fund had the following transactions with related parties during the year:

(a) The Fund is charged cost recoveries from BCI and QuadReal for fund management costs that include indirect costs initially paid by BCI and QuadReal. BCI and QuadReal cost recoveries and the corresponding payable are disclosed as Fund manager cost recoveries in the Fund’s Statement of Comprehensive Income and Statement of Financial Position.

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

6. Related party transactions (continued):

(b) In 2015, a subsidiary of the Fund entered into a joint venture arrangement (50% co-owner) for the construction of a new office development in Victoria, British Columbia. BCI entered into an arm's length lease to rent office space as the primary tenant of the building. The lease commenced on March 1, 2018, for an initial term of 20-years with 3 five-year renewal options. As at December 31, 2021, minimum lease revenue to be received by the joint venture is estimated at $175,461 over 17-years excluding GST and other non-contractual amounts.

(c) The Fund provided related party loans to various international affiliates and domestic affiliates, which as at December 31, 2021, totaled $1,452,189 (2020 - $1,059,369). These loans accrue variable interest ranging from 1.82% to 6.22% based on Bankers' Acceptance ("BA") rates and carry maturities between two to three years.

(d) In April 2021, Fund entered into a $500,000 intercompany revolving credit facility as lender with bcIMC Realty Corporation ("BRC") as borrower. This credit facility provides liquidity to BRC for real estate activities and for general corporate purposes and bears interest at a rate equal to BQR's cost of funding under its senior unsecured committed credit facility. As at December 31, 2021, there were no amounts outstanding under this facility.

(e) On September 1, 2021, the Fund disposed of an industrial development property located in Edmonton Alberta to BCI QuadReal Multi-Asset Realty ("MAP"), for cash consideration of $232,504.

(f) In November 2021, the Fund disposed of wholly-owned entities holding three development properties, located in Vancouver, British Columbia for an aggregate cash consideration of $1,865,152 to MAP.

Due from related parties is comprised of interest and other receivables that bear no interest as shown below:

	2021	2020
QRPG Realty Corporation	$ -	$ 4,572
QuadReal	62,475	67,005
	$ 62,475	$ 71,577

Due to related parties is comprised of other accounts payables and accruals that bear no interest as shown below:

	2021	2020
QRPG Realty Corporation	$ 10,378	$ -
BCI QuadReal Multi-Asset Realty	322,025	-
	$ 332,403	$ -

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

6. Related party transactions (continued):

(f) (continued):

For the year ended December 31, 2021, BQR was entitled to $182,453 (2020 - $67,005) of declared distributions from QuadReal, of which $62,475 remains receivable at end of year.

The Fund has agreements with a number of entities within the QuadReal managed Canadian real estate program (the “Program”) whereby a balancing payment is charged to or against income to equalize the Fund return against the Program return for a reporting period. The balancing payment is payable annually. The equalization payment for the period ended December 31, 2021 totaled $318,642 payable to BCI QuadReal Multi-Asset Realty and $10,378 payable to QRPG Realty Corporation (2020 - $4,572 receivable).

(g) On March 10, 2021, the BC Ministry of Finance and the Department of Finance Canada agreed to amend Schedule A of the Reciprocal Tax Agreement (“RTA”) to explicitly acknowledge the Pooled Investment Portfolio (“PIPs’”) entitlement to a rebate of the amounts paid under the RTA. Furthermore, Finance Canada confirmed that prior year GST assessments will be vacated by the Canada Revenue Agency and no further GST assessments will be issued against BCI for past filing periods in respect of costs recovered from the PIPs. The RTA accrued liability balance of $10,165 was reversed in 2021 into fund manager cost recoveries.

7. Redeemable units:

The Fund is authorized to issue an unlimited number of redeemable units. Redeemable units issued and outstanding represent the capital of the Fund. The Fund is not subject to any internally or externally imposed restrictions on its capital. The capital of the Fund is managed in accordance with the 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:

	2021	2020
	# of units	# of units
Outstanding, beginning of year	1,329.972	1,318.012
Issued	53.926	48.384
Issued on reinvestment of distributions	10.757	16.460
Consolidation of units	(10.757)	(16.460)
Redeemed	(204.497)	(36.424)
Outstanding, end of year	1,179.401	1,329.972

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

8. Credit facility:

(a) The Fund maintains a committed revolving $2,000,000 senior unsecured credit facility maturing in February 2023 to support its commercial paper program (note 15). As at December 31, 2021, there were no outstanding amounts under this facility (2020 - nil). Interest rates on the credit facility are based on BA rates plus a margin.

(b) The Fund also maintains an uncommitted revolving $500,000 senior unsecured credit facility to support general corporate and investment purposes (note 15). As at December 31, 2021, there was no outstanding amounts under this facility (2020 - nil). Interest rates on the credit facility are based on BA rates.

(c) In February 2021, the Fund established a 2-year committed revolving $500,000 senior unsecured credit facility to support general corporate and investment purposes. As at December 31, 2021, there were no outstanding amounts under this facility.

(d) The Fund also maintains credit facilities totaling $400,000 to support letters of credit and overdraft protection requirements. As at December 31, 2021, a total of $219,419 of letters of credit had been issued under these facilities to support operations and development (2020 - $152,001).

9. Commercial paper:

The cost and fair value of commercial paper were as follows:

	2021		2020	
	Cost	Fair value	Cost	Fair value
Commercial paper	$ -	$ -	$ 470,000	$ 469,814

In April 2020, the Fund launched a $1,500,000 commercial paper program to support short-term general funding requirements. This program was expanded to $2,000,000 in March 2021. In May 2021, DBRS confirmed the Fund's commercial paper rating at R-1 (low) with a stable trend. The weighted average interest rate on this program during 2021 was 0.24% (2020 - 0.28%). The commercial paper obligation was fully repaid by the end of year.

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

10. Notes payable:

Notes payable are unsecured, interest only and consist of the following terms and fixed interest rates:

			2021		2020	
	Maturity date	Interest rate	Cost	Fair value	Cost	Fair value
Series 1	March 3, 2025	1.68%	$ 350,000	$ 349,283	$ 350,000	$ 361,645
Series 2	July 24, 2030	1.75%	350,000	335,930	350,000	355,915
Series 3	February 4, 2026	1.07%	400,000	387,668	-	-
Series 4	March 12, 2024	1.06%	400,000	396,112	-	-
Total notes payable			$ 1,500,000	$ 1,468,993	$ 700,000	$ 717,560

On February 4, 2021, the Fund issued $400,000 of unsecured Series 3 notes payable maturing on February 4, 2026 bearing interest at a rate of 1.07% under its medium-term note program.

On March 12, 2021, the Fund issued a green bond offering of $400,000, Series 4, under its medium-term note program. The green bonds have a maturity date of March 12, 2024 and bear an interest rate of 1.06%. Proceeds from the Fund’s green bond issuances are restricted in purpose and used solely to finance eligible investments under QuadReal’s green bond framework (the “Framework”).

11. Financial risk management:

(a) Risk management framework:

The investment objective of the Fund is to provide clients with exposure to a portfolio of Canadian real estate and real estate-related investments. The Fund’s holdings are highly diversified by property type, geographic locations, investment size, and investment risk. The Fund primarily concentrates on high-quality income-producing Canadian office, industrial, residential, retail, hospitality and mixed-use properties located in geographic regions that have strong and growing economies. The Fund’s investment strategy is to be well diversified and to hold quality properties that will perform well across multiple economic cycles. Real estate investments are only made when there is a reasonable expectation that return objectives can be achieved over a ten-year horizon.

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

11. Financial risk management (continued):

(a) Risk management framework (continued):

The Fund can invest in the following assets:

- eligible real estate investments for pension plans under the *Pension Benefits Standard Act (B.C.)*;
- real estate-related investments, including trust units, partnership interests, shares and debt;
- units in external real estate managers' pooled funds provided such holdings are permissible investments for the Fund;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management; and
- BCI Canadian Money Market Funds ST1 and ST2; and/or government debt securities with a maximum term to maturity of one year, for cash management purposes.

The following restrictions apply to the Fund's use of debt financing:

- it may only be used in a prudent manner for real estate and real estate-related investment; and
- it may not be created if, as a result, the loan-to-market ratio of the Fund would exceed 35 percent.

As of December 31, 2021, the loan-to-market value ratio of the overall real estate portfolio, including Fund level debt, was 29.99% (2020 - 26.32%).

BCI, as trustee of the Fund, has the power to vary the investments and assets of the Fund and reinvest proceeds realized from the investments of the Fund all within the bounds of the investment policies, rules and restrictions established for and governing the Fund.

The Fund's activities expose it to a variety of financial risks. For the purposes of describing the financial risks of the Fund, the underlying corporation, trust, and limited partnership hold the following underlying net assets which make up the real estate assets of the Fund:

	2021		2020	
	Total	% of total	Total	% of total
Real estate properties	$ 16,143,211	117.3 %	$ 16,886,455	115.9 %
Equity investments	750,889	5.5 %	643,302	4.4 %
Mortgages	(1,358,968)	(9.9)%	(1,498,217)	(10.3)%
Notes payable	(2,937,663)	(21.3)%	(2,632,331)	(18.1)%
Commercial paper	-	0.0 %	(469,814)	(3.2)%
Other net assets	1,163,855	8.5 %	1,646,861	11.3 %
	$ 13,761,324	100.0%	$ 14,576,256	100.0%

11. Financial risk management (continued):

(b) Credit risk:

Credit risk is the risk of financial loss to the Fund, which arises from the possibility that:

- Tenants may experience financial difficulty and be unable to pay their rents and fulfil their lease commitments.
- Borrowers default on the repayment of their loan receivable to the Fund.
- Third-parties default on their repayment of debt whereby the Fund has provided guarantees.

The Fund's credit risk is limited to the recorded amount of these obligations. To mitigate this risk, the Fund has a diverse set of tenants in a variety of industries and geographies. Credit risk also arises from the possibility that the borrowers of loans receivable may experience financial difficulty and are unable to service the loans according to the loan agreements. To mitigate this risk, there is a general security agreement in place on majority of the loan balances (note 4).

(c) Liquidity risk:

Liquidity risk is the risk that the Fund will be unable to generate sufficient cash in a timely manner or at a reasonable price to meet commitments as they come due. The Fund is exposed to the liquidity risk associated with the requirement to redeem units. Redeemable units of the Fund may only be acquired by eligible clients or client groups in accordance with the 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 the Fund. The purchase and redemption limits may vary depending on market circumstances, client demand, and the liquidity of the underlying investments.

In April 2020, the Fund launched a $1,500,000 commercial paper program to support short-term general funding requirements. DBRS assigned the program a credit rating of R-1 (low) with a stable outlook. This program was expanded to $2,000,000 in March 2021. In May 2021, DBRS confirmed the Fund's commercial paper rating at R-1 (low) with a stable trend.

The Fund also maintains a $500,000 senior unsecured and uncommitted credit facility to support general funding requirements. As at December 31, 2021, there were no outstanding amounts under this facility.

In February 2021, the Fund established a two-year $500,000 senior unsecured syndicated sidecar facility to support general corporate and investment purposes. As at December 31, 2021, there were no outstanding amounts under this facility.

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

11. Financial risk management (continued):

(c) Liquidity risk (continued):

In April 2021, the Fund entered into a $500,000 intercompany revolving credit facility as lender with bcIMC Realty Corporation (“BRC”), a wholly-owned subsidiary of the Fund, this credit facility provides liquidity to BRC for real estate activities and for general corporate purposes. The credit facility bears interest at a rate equal to the Fund’s cost of funding under its senior unsecured committed credit facility.

The Fund also maintains credit facilities totaling $400,000 to support letters of credit and overdraft protection requirements.

(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 Fund’s income or the fair value of its holdings of financial instruments.

(*i*) Interest rate risk:

Interest rate risk is the risk that the market value or cash flows on interest-bearing investments will fluctuate due to changes in market interest rates. The variable interest rate notes and fixed rate notes of the Fund are receivable from the underlying corporations, limited partnerships and trusts, so the Fund is not subject to interest rate risk on these financial instruments.

The mortgages of the underlying non-consolidated subsidiary corporations, trusts and limited partnerships bear interest rates up to 6.96% (2020 - 6.96%) with weighted average rates of 2.15% (2020 - 2.02%). They are due at various dates to 2043.

Principal repayments on the mortgages are due as follows:

2022	$ 122,828
2023	203,946
2024	26,334
2025	26,685
2026	259,452
2027 and thereafter	728,246
	$ 1,367,491

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

11. Financial risk management (continued):

(d) Market risk (continued):

(*i*) Interest rate risk (continued):

The notes payable of the underlying non-consolidated corporations consist of unsecured series notes payable and a secured promissory note, which have the following terms and fixed interest rates, respectively:

			2021	2020
	Maturity date	Interest rate	Fair value	Fair value
Series 10	June 29, 2022	3.51%	$ 248,512	$ 256,005
Series 12	June 3, 2021	2.10%	-	347,609
Series 13	June 3, 2025	2.84%	454,537	475,518
Series A	August 11, 2022	2.15%	241,966	246,228
Series B	March 31, 2027	3.00%	523,655	552,905
Series 1	March 3, 2025	1.68%	349,283	361,645
Series 2	July 24, 2030	1.75%	335,930	355,915
Series 3	February 4, 2026	1.07%	387,668	-
Series 4	March 12, 2024	1.06%	396,112	-
4800 Yonge Street	December 31, 2029	0.01%	-	36,506
			$ 2,937,663	$ 2,632,331

The commercial paper program is used to provide short-term funding at interest rates of less than 2 percent and for less than one year in duration. As at December 31, 2021, there was no commercial paper outstanding (2020 - $469,814).

(*ii*) Real estate risk:

The Fund has identified the following risks associated with the real estate portfolio:

- The Fund's subsidiaries may undertake development activity to acquire properties that are not otherwise available in the marketplace or to enhance returns by accepting more manageable risk. Typical risks include the developer being unable to complete the project, the project is not completed on time or the project is not completed on budget. The Fund's subsidiaries generally use developers with strong expertise and reputation. The near-term focus for the Fund is to grow the portfolio through a combination of acquisitions and developments, which may result in higher development risk in the near term that will decline as projects are completed.
- The exposure of the fair values of the Fund to market and occupier fundamentals.

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

11. Financial risk management (continued):

(d) Market risk (continued):

(*iii*) Other valuation risk:

As at December 31, underlying real estate investment properties held by the Fund were diversified across the following property sectors:

	2021		2020	
Real estate properties	Total	% of total	Total	% of total
Retail	$ 1,308,295	8	$ 1,369,930	8
Office	5,327,571	33	6,239,965	37
Industrial	2,526,342	16	2,215,189	13
Residential	3,225,025	20	3,191,045	19
Retirement homes	262,900	2	256,900	2
Hospitality	82,700	-	81,801	-
Development property	3,322,278	20	3,531,625	21
Property held for sale	88,100	1	-	-
	$16,143,211	100%	$ 16,886,455	100%

As at December 31, real estate investment properties held by the Fund were diversified across the following geographic regions in Canada:

	2021		2020	
Real estate properties	Total	% of total	Total	% of total
British Columbia	$ 4,728,631	29	$ 5,419,736	32
Alberta	3,058,413	19	3,412,383	20
Saskatchewan	-	-	30,610	-
Manitoba	362,719	2	328,894	2
Ontario	7,808,399	49	7,512,982	45
Quebec	185,049	1	181,850	1
	$16,143,211	100%	$ 16,886,455	100%

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

12. Fair value of financial instrument:

(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 Fund determines fair value 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 risk affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making measurements.

- Level 1: Quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.

The table below shows investments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. All fair value measurements are recurring.

	December 31, 2021			
Type of investment	Level 1 Quoted Price-in active market	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Real estate investments	$ -	$ -	$ 13,761,324	$ 13,761,324
Commercial paper	$ -	$ -	$ -	$ -
Notes payable		1,468,993	-	1,468,993
Total	$ -	$ 1,468,993	$ -	$ 1,468,993

	December 31, 2020			
Type of investment	Level 1 Quoted Price-in active market	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Real estate investments	$ -	$ -	$ 14,576,256	$ 14,576,256
Commercial paper	$ -	$ 469,814	$ -	$ 469,814
Notes payable	-	717,560	-	717,560
Total	$ -	$ 1,187,374	$ -	$ 1,187,374

12. Fair value of financial instrument (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 Fund uses widely recognized valuation methods for determining the fair value of common and simpler financial instruments that use only observable market data which requires little management judgment and estimation. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates and money market prices.

Observable prices and model inputs are usually available in the market for equities. The availability of observable market prices and model input reduces the need for management judgment and estimation and reduces the uncertainly 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 real estate, equity investments and debt, the Fund uses proprietary valuation models, which are usually developed from recognized valuation models. 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 instruments being valued, determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

The fair value of real estate is determined using recognized valuation techniques, including the income approaches (direct capitalization and discounted cash flow) and the direct comparison approach.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties, to the extent that the Fund believes 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 Fund and the counterparties where appropriate.

12. Fair value of financial instrument (continued):

(c) Valuation framework:

The Fund has an established framework with respect to the measurement of fair values and applies the following specific controls in relation to the determination of fair values:

- verification of observable pricing inputs;
- appraisal of domestic real estate properties annually by accredited independent appraisers;
- analysis and investigation of significant valuation movements for real estate investments; and
- review of unobservable inputs and valuation adjustments for real estate investments. Unobservable inputs include estimated future cash flows from assets, capitalization rates or discount rates applicable to those assets and recent real estate transactions with similar characteristics.

(d) Significant unobservable inputs used in measuring value:

			2021		
	Fair Value	Valuation Technique	Unobservable Input	Range	Sensitivity to Change in Significant Unobservable Input
Real estate investments	$13,761,324	Discounted Cash Flows and Direct Capitalization	Discount rate	3.00% - 8.50%	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

			2020		
	Fair Value	Valuation Technique	Unobservable Input	Range	Sensitivity to Change in Significant Unobservable Input
Real estate investments	$14,576,256	Discounted Cash Flows and Direct Capitalization	Discount rate	3.00% - 8.50%	The estimated fair value would increase (decrease) if the discount rate was lower (higher)

(Amounts expressed in thousands of Canadian dollars,
except number of units or where indicated)

12. Fair value of financial instrument (continued):

(e) Effects of net asset value on fair value measurement:

Net asset value represents the net asset value of the direct real estate investments. QuadReal values these investments primarily based on the latest available financial information of the underlying assets and liabilities.

Although the Fund believes 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 holders of redeemable units. The following table shows how the net assets attributable to holders of redeemable units would change if the valuation of the real estate investments were calculated by adjusting the respective net assets and debt by 10%.

Real estate investments	2021	2020
Favourable	$ 1,376,132	$ 1,457,626
Unfavourable	(1,376,132)	(1,457,626)

(f) Other financial instruments:

The carrying value of cash, interest and other receivables, due from related party, due to related parties, fund manager cost recoveries payable and other accounts payable and accrual, approximates their fair value given their short-term nature.

13. Involvement with subsidiaries and associates:

The Fund’s investments are held primarily through 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 BCI and QuadReal to manage credit and other risks that may arise in the course of administering the underlying investments.

During 2021 and 2020, the Fund provided financial support to subsidiaries or associates for investment and operation activities and has committed to providing financial support under loan arrangements or shareholders' resolutions as needed.

14. Commitments and contingencies:

As at December 31, 2021, the Fund had the following outstanding commitments and contingencies:

(a) The Fund, its wholly owned corporations, limited partnerships, and trusts have property purchase and development commitments of $2,132,639 (2020 - $2,338,651) and have issued irrevocable standby letters of credit totaling $219,419 (2020 - $152,001) in support of projects and operations.

Certain investments of the Fund may, in the normal course of business activities, be involved in disputes with third parties, QuadReal management assesses the likelihood of loss relating to any disputes and has determined that such disputes would not have a material impact on the NAV of the Fund.

(b) The Fund maintains a credit enhancement program whereby the Fund can provide financial guarantees to its subsidiaries and international affiliates to secure lower financing costs in support of construction and other investment activities. Management has assessed the likelihood of payment out of these guarantees as remote. As at December 31, 2021, no financial guarantees have been provided and hence the Fund’s potential financial exposure is nil (2020 - $295,745).

The Fund continues to provide a guarantee on an uncommitted revolving $10,000 demand credit facility to affiliates which was undrawn as at December 31, 2021 (2020 - nil).

(c) In June 2021, the Fund provided an irrevocable and unconditional guarantee on a two-year $100,000 senior unsecured committed credit facility for Parkpool, a pooled investment portfolio existing under the Pooled Investment Portfolios Regulation (British Columbia) to be used for general corporate purposes. As at December 31, 2021, the facility was undrawn.

(d) A number of claims are pending in which the Fund may be the plaintiff or defendant. In the opinion of management, the ultimate resolution of any current lawsuits would not have a material effect on the Fund’s financial position or results of operations.

15. Subsequent events:

(a) On February 3, 2022, the Fund issued $400,000 of green bonds under its Medium-Term Note Program. The green bonds have a maturity date of June 24, 2026 and bear an interest rate of 2.551%.

(b) In March 2022, the Fund consolidated its committed revolving $2,000,000 and $500,000 senior unsecured credit facilities into a single revolving $2,500,000 senior unsecured facility for a 3-year term maturing in March 2025. The credit agreement includes sustainability-linked features that allow for reduced pricing if targets relating to reductions in greenhouse gas intensity and energy usage are met. The applicable margin and the commitment fees for the facility will be adjusted on an annual basis based on achievement of preset thresholds for each sustainability metric.

15. Subsequent events (continued):

(c) In March 2022, the Fund received full repayment in the amount of $100,000 from Canadian Core Real Estate Fund (“CCRE”) for the bridge loan the Fund extended to effect the October 2021 partial sale of assets to CCRE.

16. Comparative information:

Certain of the comparative information has been reclassified to conform to the financial statements presentation adopted for the reporting period.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

BCI Head Office
750 Pandora Ave, Victoria BC
V8W 0E4 CANADA

Vancouver Office
1110-400 Burrard St, Vancouver BC
V6C 3A6 CANADA

New York Office
16B-767 Fifth Ave, New York, NY
10153 USA

BCI.ca