



Pooled Fund Financial Statements

DECEMBER 2017

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
GROUP OF FUNDS

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

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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. This report contains the financial statements for the following Pooled Investment Portfolios for the period ended December 31, 2017:

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

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

BCI'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 BCI'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.

BCI 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. BCI'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. BCI's system of internal control is supported by external auditors who review and evaluate internal controls and report directly to the Audit Committee.

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

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer / Chief Investment Officer

[S] Lawrence E. Davis

Lawrence E. Davis
Senior Vice President, Finance



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INDEPENDENT AUDITORS' REPORT

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

Canadian Money Market Fund ST1	Canadian Quantitative Active
Canadian Money Market Fund ST2	Equity Fund (formerly Enhanced
U.S. Dollar Money Market Fund ST3	Indexed Canadian Equity Fund)
CDOR Floating Rate Fund	Indexed Canadian Equity Fund
LIBOR Floating Rate Fund	Active U.S. Small Cap Equity Fund
Short Term Bond Fund	Indexed U.S. Equity Fund
Canadian Universe Bond Fund	Active Asian Equity Fund
Canadian Real Return Bond Fund	Active European Equity Fund
High Yield Bond Fund	Active Global Equity Fund
Global Government Bond Fund	Global Quantitative Active Equity Fund
Fixed Term Mortgage Fund	(formerly Enhanced Indexed Global
Construction Mortgage Fund	Equity Fund)
Active Canadian Equity Fund	Indexed Global Equity Fund
Active Canadian Small Cap Equity Fund	Indexed Global ESG Equity Fund
(collectively, "the Funds")	Active Emerging Markets Equity Fund
	Indexed Emerging Markets Equity Fund
	Thematic Public Equity Fund
	All Weather Fund

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position of the Funds as at December 31, 2017, and their statements of comprehensive income/(loss), changes in net assets attributable to holders of redeemable units, and cash flows for the applicable period then ended, 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 an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on our judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as, evaluating the overall financial statement presentation.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2017, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants

April 5, 2018
Vancouver, Canada

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST1

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Investments		923,749	557,777
		<u>923,749</u>	<u>557,777</u>
Liabilities			
BCI cost recoveries payable	4	668	71
Other accounts payable		10	-
		<u>678</u>	<u>71</u>
Net assets attributable to holders of redeemable units		<u>\$ 923,071</u>	<u>\$ 557,706</u>
<i>Number of redeemable units outstanding</i>	5	243.342	147.972
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,793</u>	<u>\$ 3,769</u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 10,947	\$ 9,149
Securities lending income		2	4
Change in fair value of investments:	6		
Net realized gain		6	17
Net change in unrealized appreciation (depreciation)		(88)	7
Total revenue		<u>10,867</u>	<u>9,177</u>
Expenses:			
BCI cost recoveries	4	1,282	1,040
Administrative fees		25	27
Total operating expenses		<u>1,307</u>	<u>1,067</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>9,560</u>	<u>8,110</u>
Distributions to holders of redeemable units:			
From net investment income		(10,262)	(8,086)
From net realized gain on investments		(6)	(17)
		<u>(10,268)</u>	<u>(8,103)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (708)</u>	<u>\$ 7</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST1

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 557,706	\$ 2,750,037
Increase (decrease) in net assets attributable to holders of redeemable units	(708)	7
Redeemable unit transactions:		
Proceeds from units issued	28,483,879	25,408,277
Reinvestment of distributions	10,268	8,103
Amounts paid for units redeemed	<u>(28,128,074)</u>	<u>(27,608,718)</u>
Net increase (decrease) from redeemable unit transactions	<u>366,073</u>	<u>(2,192,338)</u>
Balance, end of year	<u>\$ 923,071</u>	<u>\$ 557,706</u>

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (708)	\$ 7
Adjustments for:		
Interest income	(10,947)	(9,149)
Net realized gain from investments	(6)	(17)
Net change in unrealized (appreciation) depreciation from investments	88	(7)
Amortization of premiums and discounts	(10,742)	(8,814)
Non cash distributions	10,268	8,103
Proceeds from sale of investments	208,129,119	139,880,738
Amounts paid for purchase of investments	(208,484,431)	(137,516,599)
Payable for purchase of investments	-	(162,902)
BCI cost recoveries payable	597	(54)
Other accounts payable	10	(15)
Interest received	10,947	9,149
	<u>(355,805)</u>	<u>2,200,440</u>
Financing activities:		
Proceeds from issue of redeemable units	28,483,879	25,408,277
Payments on redemption of redeemable units	<u>(28,128,074)</u>	<u>(27,608,718)</u>
	<u>355,805</u>	<u>(2,200,441)</u>
Net decrease in cash	-	(1)
Cash, beginning of year	-	1
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST1

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Money Market Investments:				
Provincial Government	\$ 186,688	\$ 186,708	\$ 205,450	\$ 205,453
Municipal Government	361,783	361,823	339,398	339,398
Repurchase Agreements	375,278	375,309	12,929	12,929
Total Investments	\$ 923,749	\$ 923,840	\$ 557,777	\$ 557,780

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN MONEY MARKET FUND ST1

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- The maximum term to maturity of the securities is 45 days.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the termination of any affected derivative transaction so as to maximize sale proceeds.

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

INVESTMENTS
BY CREDIT RATING
(in 000s)

	2017		2016	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 446,712	48.4 %	\$ 345,893	62.0 %
A	101,759	11.0 %	198,955	35.7 %
Repurchase agreements (not rated)	375,278	40.6 %	12,929	2.3 %
Total Money Market Investments	<u>\$ 923,749</u>	<u>100.0 %</u>	<u>\$ 557,777</u>	<u>100.0 %</u>

Liquidity Risk

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

Interest Rate Risk

As at December 31, 2017 and December 31, 2016, the Fund invested in fixed income instruments with terms to maturity within 45 days, and a weighted average effective yield of 1.17% (2016 - 0.72%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$277,000 (2016 - \$229,000), representing 0.03% of the Fund's net assets (2016 - 0.04%). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN MONEY MARKET FUND ST1

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

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

Other Price Risk

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

Investments by Geographic Region

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

Fair Value Measurement Discussion
as at December 31

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Money Market Investments	\$ -	\$923,749	\$923,749
Total Investments	\$ -	\$923,749	\$923,749

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST2

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ -	\$ 4
Interest receivable		1,926	1,137
Security lending revenue receivable		24	1
Investments		5,271,546	3,151,800
		<u>5,273,496</u>	<u>3,152,942</u>
Liabilities			
Payable for purchase of investments		-	124,408
BCI cost recoveries payable	4	1,109	226
Other accounts payable		12	-
		<u>1,121</u>	<u>124,634</u>
Net assets attributable to holders of redeemable units		<u>\$ 5,272,375</u>	<u>\$ 3,028,308</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,300.295</i>	<i>753.903</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 4,055</u>	<u>\$ 4,017</u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 41,342	\$ 35,109
Securities lending income		126	148
Change in fair value of investments:	6		
Net realized gain		830	522
Net change in unrealized appreciation (depreciation)		<u>(357)</u>	<u>375</u>
Total revenue		<u>41,941</u>	<u>36,154</u>
Expenses:			
BCI cost recoveries	4	3,231	2,882
Administrative fees		28	64
Total operating expenses		<u>3,259</u>	<u>2,946</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>38,682</u>	<u>33,208</u>
Distributions to holders of redeemable units:			
From net investment income		(39,070)	(32,310)
From net realized gain on investments		<u>(830)</u>	<u>(522)</u>
		<u>(39,900)</u>	<u>(32,832)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (1,218)</u>	<u>\$ 376</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST2

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 3,028,308	\$ 5,413,942
Increase (decrease) in net assets attributable to holders of redeemable units	(1,218)	376
Redeemable unit transactions:		
Proceeds from units issued	10,619,581	12,622,897
Reinvestment of distributions	39,900	32,832
Amounts paid for units redeemed	<u>(8,414,196)</u>	<u>(15,041,739)</u>
Net increase (decrease) from redeemable unit transactions	<u>2,245,285</u>	<u>(2,386,010)</u>
Balance, end of year	<u>\$ 5,272,375</u>	<u>\$ 3,028,308</u>

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (1,218)	\$ 376
Adjustments for:		
Interest income	(41,342)	(35,109)
Net realized gain from investments	(830)	(522)
Net change in unrealized (appreciation) depreciation from investments	357	(375)
Amortization of premiums and discounts	(22,118)	(12,433)
Non cash distributions	39,900	32,832
Proceeds from sale of investments	123,504,181	81,985,114
Amounts paid for purchase of investments	(125,601,336)	(79,717,563)
Security lending revenue receivable	(23)	(1)
Payable for purchase of investments	(124,408)	124,408
BCI cost recoveries payable	883	(39)
Other accounts payable	12	(13)
Interest received	40,553	42,171
	<u>(2,205,389)</u>	<u>2,418,846</u>
Financing activities:		
Proceeds from issue of redeemable units	10,619,581	12,622,897
Payments on redemption of redeemable units	<u>(8,414,196)</u>	<u>(15,041,739)</u>
	<u>2,205,385</u>	<u>(2,418,842)</u>
Net increase (decrease) in cash	(4)	4
Cash, beginning of year	<u>4</u>	<u>-</u>
Cash, end of year	<u>\$ -</u>	<u>\$ 4</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN MONEY MARKET FUND ST2

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 602,510	\$ 602,407	\$ 300,729	\$ 300,706
Provincial Government	15,116	15,114	-	-
Corporate	785,420	785,053	758,628	758,215
	<u>1,403,046</u>	<u>1,402,574</u>	<u>1,059,357</u>	<u>1,058,921</u>
Money Market Investments:				
Federal Government	1,491,048	1,491,052	1,379,495	1,379,608
Municipal Government	19,972	19,974	-	-
Corporate	1,632,857	1,633,045	575,933	575,678
Repurchase Agreements	724,623	724,684	137,015	137,019
	<u>3,868,500</u>	<u>3,868,755</u>	<u>2,092,443</u>	<u>2,092,305</u>
Total Investments	<u><u>\$ 5,271,546</u></u>	<u><u>\$ 5,271,329</u></u>	<u><u>\$ 3,151,800</u></u>	<u><u>\$ 3,151,226</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN MONEY MARKET FUND ST2

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

- The maximum term to maturity of the securities (including callable bonds) is 15 months.
- Not more than 25% of the total Fund can be invested in corporate commercial paper rated A-1 (low).
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction so as to maximize sale proceeds.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

INVESTMENTS BY CREDIT RATING (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
AAA/AA	3,010,644	57.2 %	1,901,329	60.4 %
A	1,536,279	29.1 %	1,113,440	35.3 %
Not rated	724,623	13.7 %	137,031	4.3 %
Total Bonds and Money Market Investments	\$ 5,271,546	100.0 %	\$ 3,151,800	100.0 %

Liquidity Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN MONEY MARKET FUND ST2

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

Interest Rate Risk

As at December 31, 2017 and December 31, 2016, the Fund invested in fixed income instruments with terms to maturity within 15 months, and a weighted average effective yield of 1.19% (2016 - 0.74%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$20,142,000 (2016 - \$23,449,000), representing 0.38% of the Fund's net assets (2016 - 0.77%). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Currency Risk

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

Other Price Risk

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

Management monitors the concentration of risk for debt securities based on sector and geographic location.

Investments by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Bonds	\$ -	\$1,403,046	\$1,403,046
Money Market Investments	-	3,868,500	3,868,500
Total Investments	\$ -	\$5,271,546	\$5,271,546

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

U.S. DOLLAR MONEY MARKET FUND ST3

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ -	\$ 282
Investments		<u>167,493</u>	<u>169,695</u>
		<u>167,493</u>	<u>169,977</u>
Liabilities			
BCI cost recoveries payable	4	96	1
Other accounts payable		<u>3</u>	<u>5</u>
		<u>99</u>	<u>6</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 167,394</u></u>	<u><u>\$ 169,971</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>76.011</i>	<i>77.828</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,202</u></u>	<u><u>\$ 2,184</u></u>

Statement of Comprehensive Income

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

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 1,696	\$ 329
Change in fair value of investments:	6		
Net realized gain		-	1
Net change in unrealized depreciation		<u>(16)</u>	<u>-</u>
Total revenue		<u>1,680</u>	<u>330</u>
Expenses:			
BCI cost recoveries	4	212	86
Administrative fees		<u>11</u>	<u>14</u>
Total operating expenses		<u>223</u>	<u>100</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,457</u>	<u>230</u>
Distributions to holders of redeemable units:			
From net investment income		<u>(1,497)</u>	<u>(86)</u>
		<u>(1,497)</u>	<u>(86)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (40)</u></u>	<u><u>\$ 144</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

U.S. DOLLAR MONEY MARKET FUND ST3

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands of U.S. dollars)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 169,971	\$ 133,708
Increase (decrease) in net assets attributable to holders of redeemable units	(40)	144
Redeemable unit transactions:		
Proceeds from units issued	2,373,811	1,597,132
Reinvestment of distributions	1,497	86
Amounts paid for units redeemed	<u>(2,377,845)</u>	<u>(1,561,099)</u>
Net increase (decrease) from redeemable unit transactions	<u>(2,537)</u>	<u>36,119</u>
Balance, end of year	<u>\$ 167,394</u>	<u>\$ 169,971</u>

Statement of Cash Flows (all amounts in thousands of U.S. dollars)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (40)	\$ 144
Adjustments for:		
Interest income	(1,696)	(329)
Net realized gain from investments	-	(1)
Net change in unrealized depreciation from investments	16	-
Amortization of premiums and discounts	(1,695)	(335)
Non cash distributions	1,497	86
Proceeds from sale of investments	9,852,660	5,038,450
Amounts paid for purchase of investments	(9,848,779)	(5,207,809)
BCI cost recoveries payable	95	(1)
Other accounts payable	(2)	1
Interest received	1,696	338
	<u>3,752</u>	<u>(169,456)</u>
Financing activities:		
Proceeds from issue of redeemable units	2,373,811	1,597,132
Payments on redemption of redeemable units	<u>(2,377,845)</u>	<u>(1,561,099)</u>
	<u>(4,034)</u>	<u>36,033</u>
Net decrease in cash	(282)	(133,423)
Cash, beginning of year	<u>282</u>	<u>133,705</u>
Cash, end of year	<u>\$ -</u>	<u>\$ 282</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

U.S. DOLLAR MONEY MARKET FUND ST3

Schedule of Investments

as at December 31

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

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Money Market Investments:				
Federal Government	\$ 44,735	\$ 44,740	\$ -	\$ -
Provincial Government	74,950	74,956	135,065	135,064
Repurchase Agreements	47,808	47,813	34,630	34,631
Total Investments	\$ 167,493	\$ 167,509	\$ 169,695	\$ 169,695

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

U.S. DOLLAR MONEY MARKET FUND ST3

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

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

	2017		2016	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 77,523	46.3 %	\$ 67,083	39.5 %
A - or better	89,970	53.7 %	67,982	40.1 %
Not rated	-	- %	34,630	20.4 %
Total Money Market Investments	<u>\$ 167,493</u>	<u>100.0 %</u>	<u>\$ 169,695</u>	<u>100.0 %</u>

Liquidity Risk

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

Interest Rate Risk

As at December 31, 2017 and 2016, the Fund invested in fixed income instruments with terms to maturity within 21 days, and a weighted average effective yield of 1.65% (2016 - 0.04%).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$42,000 (2016 - \$ 55,000), representing 0.03% of the Fund's net assets (2016 - 0.04%). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

U.S. DOLLAR MONEY MARKET FUND ST3

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

Currency Risk

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

Other Price Risk

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

Investments by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s of U.S. dollars)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Money Market Investments	\$ -	\$167,493	\$167,493
Total Investments	\$ -	\$167,493	\$167,493

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CDOR FLOATING RATE FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017 <i>(note 1)</i>
Assets		
Cash		\$ 143
Interest receivable		3,876
Derivative assets:		
Swaps		42
Investments		3,008,641
		<u>3,012,702</u>
Liabilities		
Payable for purchase of investments		25,121
BCI cost recoveries payable	4	216
Other accounts payable		3
		<u>25,340</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,987,362</u></u>
<i>Number of redeemable units outstanding</i>	5	2,950.142
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,013</u></u>

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Period Ended December 31, 2017 <i>(note 1)</i>
Revenue:		
Interest income		\$ 13,418
Change in fair value of investments and derivatives:	6	
Net realized gain		2,083
Net change in unrealized appreciation		4,087
Total revenue		<u>19,588</u>
Expenses:		
BCI cost recoveries	4	750
Administrative fees		6
Total operating expenses		<u>756</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>18,832</u>
Distributions to holders of redeemable units:		
From net investment income		(12,713)
From net realized gain on investments and derivatives		(2,083)
		<u>(14,796)</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 4,036</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CDOR FLOATING RATE FUND

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

	Period Ended December 31, 2017 <i>(note 1)</i>
Balance, beginning of period	\$ -
Increase in net assets attributable to holders of redeemable units	4,036
Redeemable unit transactions:	
Proceeds from units issued	3,790,074
Reinvestment of distributions	14,796
Amounts paid for units redeemed	<u>(821,544)</u>
Net increase from redeemable unit transactions	<u>2,983,326</u>
Balance, end of period	<u>\$ 2,987,362</u>

Statement of Cash Flows
(all amounts in thousands)

	Period Ended December 31, 2017 <i>(note 1)</i>
Operating activities:	
Increase in net assets attributable to holders of redeemable units	\$ 4,036
Adjustments for:	
Interest income	(13,418)
Net realized gain from investments and derivatives	(2,083)
Net change in unrealized appreciation from investments and derivatives	(4,087)
Amortization	2,130
Non cash distributions	14,796
Proceeds from sale of investments	2,259,465
Amounts paid for purchase of investments	(5,264,108)
Payable for purchase of investments	25,121
BCI cost recoveries payable	216
Other accounts payable	3
Interest received	<u>9,542</u>
	<u>(2,968,387)</u>
Financing activities:	
Proceeds from issue of redeemable units	3,790,074
Payments on redemption of redeemable units	<u>(821,544)</u>
	<u>2,968,530</u>
Net increase in cash	143
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>\$ 143</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CDOR FLOATING RATE FUND

Schedule of Investments

as at December 31
(all amounts in thousands)

	2017	
	Fair Value	Cost
Bonds:		
Federal Government	\$ 1,561,500	\$ 1,559,937
Provincial Government	392,799	391,851
Corporate	1,028,403	1,026,837
	<u>2,982,702</u>	<u>2,978,625</u>
Money Market Funds:		
Units in BCI Pooled Investment Portfolio Fund ST1	<u>25,939</u>	<u>25,971</u>
Total Investments	<u><u>\$ 3,008,641</u></u>	<u><u>\$ 3,004,596</u></u>

Schedule of Swaps

as at December 31
(all amounts in thousands)

Date	Number of Contracts	Expiry Date	Description	Notional Value	Unrealized Gain (Loss)
2017	1	DEC 2019	INTEREST RATE	<u>\$ 20,000</u>	<u>\$ 42</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CDOR FLOATING RATE FUND

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

The CDOR Floating Rate Fund (the Fund) allows participating BCI pooled Funds to earn a floating rate return that is linked to the benchmark reference rate, the Canadian Dollar Offered Rate. Ownership of the Fund is limited to BCI pooled funds. The functional currency of the Fund is Canadian dollars.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- ◆ The maximum term to maturity of the securities is 5 years.
- ◆ At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- ◆ If any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

BONDS
BY CREDIT RATING
(in 000s)

	2017	
	Total	% of Total
AAA/AA	\$ 1,968,549	66.0 %
A	1,014,153	34.0 %
Total Bonds	<u>\$ 2,982,702</u>	<u>100.0 %</u>

Liquidity Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CDOR FLOATING RATE FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

As at December 31, 2017, the Fund invested in fixed income instruments with terms to maturity within 4 years, and a weighted average effective yield of 1.61%.

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$55,538,000, representing 1.86% of the Fund's net assets. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BONDS
BY MATURITY DATE
(in 000s)

	2017	
		Avg Effective Yield
	Total	
Within 1 year	\$ 415,822	1.81 %
1 to 5 years	2,566,880	1.58 %
Total Bonds	\$ 2,982,702	1.61 %

Currency Risk

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

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

Investments by Geographic Region

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CDOR FLOATING RATE FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Bonds	\$ -	\$ 2,982,702	\$ 2,982,702
Money Market Funds	25,939	-	25,939
Total Investments	\$ 25,939	\$ 2,982,702	\$ 3,008,641
Swap	-	42	42
Total	\$ 25,939	\$ 2,982,744	\$ 3,008,683

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

During 2017 there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The table below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 25,939

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

LIBOR FLOATING RATE FUND

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Interest receivable		\$ 1,561	\$ 2,131
Investments		<u>661,501</u>	<u>1,138,736</u>
		<u>663,062</u>	<u>1,140,867</u>
Liabilities			
Payable for purchase of investments		10,019	-
BCI cost recoveries payable	4	107	69
Other accounts payable		1	2
Derivative liabilities:			
Swaps		<u>13</u>	<u>-</u>
		<u>10,140</u>	<u>71</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 652,922</u></u>	<u><u>\$ 1,140,796</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>639.442</i>	<i>1,132.254</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,021</u></u>	<u><u>\$ 1,008</u></u>

Statement of Comprehensive Income/(Loss)

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

	Note	Year Ended December 31, 2017	Period Ended December 31, 2016 <i>(note 1)</i>
Revenue:			
Interest income		\$ 13,636	\$ 5,371
Change in fair value of investments and derivatives:	6		
Net realized gain		1,704	190
Net change in unrealized appreciation (depreciation)		<u>(635)</u>	<u>1,064</u>
Total revenue		<u>14,705</u>	<u>6,625</u>
Expenses:			
BCI cost recoveries	4	733	378
Administrative fees		<u>9</u>	<u>6</u>
Total operating expenses		<u>742</u>	<u>384</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>13,963</u>	<u>6,241</u>
Distributions to holders of redeemable units:			
From net investment income		(15,099)	(4,986)
From net realized gains on investments and derivatives		<u>(1,704)</u>	<u>(190)</u>
		<u>(16,803)</u>	<u>(5,176)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (2,840)</u></u>	<u><u>\$ 1,065</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

LIBOR FLOATING RATE FUND

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

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

	Year Ended December 31, 2017	Period Ended December 31, 2016 <i>(note 1)</i>
Balance, beginning of period	\$ 1,140,796	\$ -
Increase (decrease) in net assets attributable to holders of redeemable units	(2,840)	1,065
Redeemable unit transactions:		
Proceeds from units issued	449,032	1,142,090
Reinvestment of distributions	16,803	5,176
Amounts paid for units redeemed	(950,869)	(7,535)
Net increase (decrease) from redeemable unit transactions	(485,034)	1,139,731
Balance, end of period	\$ 652,922	\$ 1,140,796

Statement of Cash Flows

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

	Year Ended December 31, 2017	Period Ended December 31, 2016 <i>(note 1)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (2,840)	\$ 1,065
Adjustments for:		
Interest income	(13,636)	(5,371)
Net realized gain from investments and derivatives	(1,704)	(190)
Net change in unrealized (appreciation) depreciation from investments and derivatives	635	(1,064)
Amortization of premiums and discounts	(63)	(186)
Non cash distributions	16,803	5,176
Proceeds from sale of investments	3,689,605	1,127,437
Amounts paid for purchase of investments	(3,211,225)	(2,264,733)
Payable for purchase of investments	10,019	-
BCI cost recoveries payable	38	69
Other accounts payable	(1)	2
Interest received	14,206	3,240
	501,837	(1,134,555)
Financing activities:		
Proceeds from issue of redeemable units	449,032	1,142,090
Payments on redemption of redeemable units	(950,869)	(7,535)
	(501,837)	1,134,555
Net increase (decrease) in cash	-	-
Cash, beginning and end of period	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

LIBOR FLOATING RATE FUND

Schedule of Investments

as at December 31

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

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 250,009	\$ 250,000	\$ 488,314	\$ 488,009
Provincial Government	86,006	85,935	315,355	314,917
Corporate	243,595	243,191	203,199	203,028
Supranational and Sovereign	71,285	71,316	-	-
	<u>650,895</u>	<u>650,442</u>	<u>1,006,868</u>	<u>1,005,954</u>
Money Market Investments:				
Corporate	-	-	130,550	130,401
Units in BCI Pooled Investment Portfolio				
Fund ST3	10,606	10,617	1,318	1,317
Total Investments	<u><u>\$ 661,501</u></u>	<u><u>\$ 661,059</u></u>	<u><u>\$ 1,138,736</u></u>	<u><u>\$ 1,137,672</u></u>

Schedule of Swaps

as at December 31

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

Date	Number of Contracts	Expiry Date	Description	Notional Value	Unrealized Gain (Loss)
2017	1	Dec 2019	Interest Rate	\$ 30,000	\$ (4)
2017	1	Dec 2020	Interest Rate	20,000	(9)
					<u><u>\$ (13)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

LIBOR FLOATING RATE FUND

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- The maximum term to maturity of the securities is 5 years.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

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

Credit Risk

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

INVESTMENTS BY CREDIT RATING (in 000s of U.S. dollars)	2017		2016	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 455,399	70.0 %	\$ 584,320	58.0 %
A - or better	195,496	30.0 %	\$ 422,548	42.0 %
Not rated	-	- %	-	- %
Total Bonds	\$ 650,895	100.0 %	\$ 1,006,868	100.0 %

Liquidity Risk

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

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

DERIVATIVE LIABILITIES (in 000s)	2017		
	Carrying amount	Gross nominal in (out) flow	1 to 3 months
Outflows	\$ (52,466)	\$ (52,466)	\$ (52,466)
Inflows	52,453	52,453	52,453
	\$ (13)	\$ (13)	\$ (13)

There were no derivative liabilities in 2016.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

LIBOR FLOATING RATE FUND

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

Interest Rate Risk

As at December 31, 2017 and December 31, 2016, the Fund invested in fixed income instruments with terms to maturity within 3 years, and a weighted average effective yield of 1.57 % (2016 - 0.95 %).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$10,245,000 (2016 - \$ 19,291,000), representing 1.57 % of the Fund's net assets (2016 - 1.69 %). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BY MATURITY DATE
(in 000s)

	2017		2016	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 100,572	1.57 %	243,021	0.85 %
1 to 3 years	550,323	1.57 %	763,847	1.05 %
Total Bonds	\$ 650,895	1.57 %	\$ 1,006,868	1.00 %

Currency Risk

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

Other Price Risk

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

Investments by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s of U.S. dollars)			
Bonds	\$ -	\$ 650,895	\$ 650,895
Money Market Funds	10,606	-	10,606
Total Investments	\$ 10,606	\$ 650,895	\$ 661,501
Swaps	-	(13)	(13)
Total	\$ 10,606	\$ 650,882	\$ 661,488

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

LIBOR FLOATING RATE FUND

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 167,475	\$ 10,606

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 BCI	1	\$ 169,971	\$ 1,318

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

SHORT TERM BOND FUND

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ -	\$ 353
Interest receivable		5,136	12,288
Security lending revenue receivable		21	32
Investments		<u>1,263,537</u>	<u>3,466,126</u>
		<u>1,268,694</u>	<u>3,478,799</u>
Liabilities			
BCI cost recoveries payable	4	586	201
Other accounts payable		<u>3</u>	<u>7</u>
		<u>589</u>	<u>208</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,268,105</u></u>	<u><u>\$ 3,478,591</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>484.922</i>	<i>1,326.724</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,615</u></u>	<u><u>\$ 2,622</u></u>

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 21,592	\$ 24,983
Securities lending income		298	253
Change in fair value of investments:	6		
Net realized gain (loss)		(7,765)	5,174
Net change in unrealized appreciation (depreciation)		<u>2,579</u>	<u>(28,344)</u>
Total revenue		<u>16,704</u>	<u>2,066</u>
Expenses:			
BCI cost recoveries	4	1,525	1,497
Administrative fees		<u>9</u>	<u>29</u>
Total operating expenses		<u>1,534</u>	<u>1,526</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>15,170</u>	<u>540</u>
Distributions to holders of redeemable units:			
From net investment income		(20,921)	(23,710)
From net realized gains on investments		<u>-</u>	<u>(5,174)</u>
		<u>(20,921)</u>	<u>(28,884)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (5,751)</u></u>	<u><u>\$ (28,344)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

SHORT TERM BOND FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 3,478,591	\$ 1,645,022
Decrease in net assets attributable to holders of redeemable units	(5,751)	(28,344)
Redeemable unit transactions:		
Proceeds from units issued	623,860	2,515,448
Reinvestment of distributions	20,921	28,884
Amounts paid for units redeemed	(2,849,516)	(682,419)
Net increase (decrease) from redeemable unit transactions	(2,204,735)	1,861,913
Balance, end of year	\$ 1,268,105	\$ 3,478,591

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (5,751)	\$ (28,344)
Adjustments for:		
Interest income	(21,592)	(24,983)
Net realized (gain) loss from investments	7,765	(5,174)
Net change in unrealized (appreciation) depreciation from investments	(2,579)	28,344
Amortization of premiums and discounts	28,431	36,806
Non cash distributions	20,921	28,884
Proceeds from sale of investments	3,804,462	1,823,971
Amounts paid for purchase of investments	(1,635,490)	(3,711,203)
Receivable from issue of units	-	20,000
Security lending revenue receivable	11	(32)
Payable for redemption of units	-	(20,000)
BCI cost recoveries payable	385	95
Other accounts payable	(4)	(3)
Interest received	28,744	18,963
	<u>2,225,303</u>	<u>(1,832,676)</u>
Financing activities:		
Proceeds from issue of redeemable units	623,860	2,515,448
Payments on redemption of redeemable units	(2,849,516)	(682,419)
	<u>(2,225,656)</u>	<u>1,833,029</u>
Net increase (decrease) in cash	(353)	353
Cash, beginning of year	353	-
Cash, end of year	\$ -	\$ 353

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

SHORT TERM BOND FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 946,481	\$ 955,196	\$ 2,354,099	\$ 2,369,532
Provincial Government	277,114	279,956	784,677	786,019
Municipal Government	35,055	35,109	326,445	323,864
	<u>1,258,650</u>	<u>1,270,261</u>	<u>3,465,221</u>	<u>3,479,415</u>
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	<u>4,887</u>	<u>4,891</u>	<u>905</u>	<u>905</u>
Total Investments	<u><u>\$ 1,263,537</u></u>	<u><u>\$ 1,275,152</u></u>	<u><u>\$ 3,466,126</u></u>	<u><u>\$ 3,480,320</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

SHORT TERM BOND FUND

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

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

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

The Fund invests in the following securities:

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

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

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

BONDS
BY CREDIT RATING
(in 000s)

	2017		2016	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 1,068,902	84.9 %	\$ 2,736,163	79.0 %
A	189,748	15.1 %	729,058	21.0 %
Total Bonds	\$ 1,258,650	100.0 %	\$ 3,465,221	100.0 %

Liquidity Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

SHORT TERM BOND FUND

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

Interest Rate Risk

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

BONDS

BY MATURITY DATE
(in 000s)

	2017		2016	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 82,926	1.53 %	\$ 270,388	0.79 %
1 to 5 years	1,175,724	1.89 %	3,194,833	1.22 %
Total Bonds	\$ 1,258,650	1.87 %	\$ 3,465,221	1.19 %

The duration is to be managed within ± 20 percent of the benchmark duration, which was 3 years as at December 31, 2017. As at December 31, 2017, the Fund had a duration of 3 years (2016 - 3 years). The maximum term to maturity is 4 years (2016 - 4 years).

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$34,865,000 (2016 - \$97,372,000), representing 2.7% of the Fund's net assets (2016 - 2.8%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Currency Risk

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

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

Other Price Risk

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

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

Bonds by Geographic Region

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

SHORT TERM BOND FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Bonds	\$ -	\$ 1,258,650	\$ 1,258,650
Money Market Funds	4,887	-	4,887
Total Investments	<u>\$ 4,887</u>	<u>\$ 1,258,650</u>	<u>\$ 1,263,537</u>

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 4,887

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 BCI	1	\$ 557,706	\$ 905

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN UNIVERSE BOND FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 344	\$ 1,340
Receivable from sale of investments		-	80,250
Receivable from issue of units		800	9,133
Interest receivable		63,557	43,382
Security lending revenue receivable		147	73
Derivative assets:			
Futures		270	-
Investments		17,886,694	12,731,083
		<u>17,951,812</u>	<u>12,865,261</u>
Liabilities			
Payable for purchase of investments		55,813	29,113
Payable for redemption of units		800	9,133
BCI cost recoveries payable	4	4,603	890
Other accounts payable		25	26
		<u>61,241</u>	<u>39,162</u>
Net assets attributable to holders of redeemable units		<u>\$ 17,890,571</u>	<u>\$ 12,826,099</u>
<i>Number of redeemable units outstanding</i>	5	<i>9,966.020</i>	<i>7,348.694</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,795</u>	<u>\$ 1,745</u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 355,820	\$ 297,079
Securities lending income		1,013	1,309
Change in fair value of investments:	6		
Net realized gain		12,943	322,587
Net change in unrealized appreciation (depreciation)		39,107	(333,229)
Total revenue		<u>408,883</u>	<u>287,746</u>
Expenses:			
BCI cost recoveries	4	12,664	9,313
Administrative fees		41	148
Commissions and stock exchange fees		46	-
Total operating expenses		<u>12,751</u>	<u>9,461</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>396,132</u>	<u>278,285</u>
Distributions to holders of redeemable units:			
From net investment income		(348,108)	(288,924)
From net realized gains on investments		(12,943)	(323,074)
		<u>(361,051)</u>	<u>(611,998)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 35,081</u>	<u>\$ (333,713)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN UNIVERSE BOND FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 12,826,099	\$ 13,078,291
Increase (decrease) in net assets attributable to holders of redeemable units	35,081	(333,713)
Redeemable unit transactions:		
Proceeds from units issued	5,716,632	580,746
Reinvestment of distributions	361,051	611,998
Amounts paid for units redeemed	<u>(1,048,292)</u>	<u>(1,111,223)</u>
Net increase from redeemable unit transactions	<u>5,029,391</u>	<u>81,521</u>
Balance, end of year	<u>\$ 17,890,571</u>	<u>\$ 12,826,099</u>

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 35,081	\$ (333,713)
Adjustments for:		
Interest income	(355,820)	(297,079)
Net realized gain from investments	(12,943)	(322,587)
Net change in unrealized (appreciation) depreciation from investments	(39,107)	333,229
Amortization of premiums and discounts	11,262	(3,922)
Non cash distributions	361,051	611,998
Proceeds from sale of investments	50,198,647	84,309,732
Amounts paid for purchase of investments	(55,313,740)	(84,028,853)
Receivable from sale of investments	80,250	258,475
Receivable from issue of units	8,333	(9,133)
Security lending revenue receivable	(74)	(73)
Payable for purchase of investments	26,700	(305,183)
Payable for redemption of units	(8,333)	9,133
BCI cost recoveries payable	3,713	251
Other accounts payable	(1)	(18)
Interest received	335,645	309,560
	<u>(4,669,336)</u>	<u>531,817</u>
Financing activities:		
Proceeds from issue of redeemable units	5,716,632	580,746
Payments on redemption of redeemable units	<u>(1,048,292)</u>	<u>(1,111,223)</u>
	<u>4,668,340</u>	<u>(530,477)</u>
Net increase (decrease) in cash	(996)	1,340
Cash, beginning of year	<u>1,340</u>	<u>-</u>
Cash, end of year	<u>\$ 344</u>	<u>\$ 1,340</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN UNIVERSE BOND FUND

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

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 4,693,098	\$ 4,724,564	\$ 2,718,599	\$ 2,762,636
Provincial Government	7,720,704	7,651,819	5,498,080	5,500,467
Municipal Government	240,052	232,905	149,440	142,558
Corporate	4,427,615	4,396,558	4,287,693	4,217,118
Supranational and Sovereign	738,398	742,512	48,708	47,135
	<u>17,819,867</u>	<u>17,748,358</u>	<u>12,702,520</u>	<u>12,669,914</u>
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	<u>66,827</u>	<u>66,894</u>	<u>28,563</u>	<u>28,564</u>
Total Investments	<u>\$ 17,886,694</u>	<u>\$ 17,815,252</u>	<u>\$ 12,731,083</u>	<u>\$ 12,698,478</u>

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

Date	Number of Contracts	Expiry Date	Notional Value	Net Receivable (Payable)
2017	1,500	March 2018	<u>202,170</u>	<u>270</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN UNIVERSE BOND FUND

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

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

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

The Fund invests in the following securities:

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

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

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

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

- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any issue is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction so as to maximize sale proceeds.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

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

	2017		2016	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 9,509,844	53.4 %	\$ 4,478,393	35.3 %
A	6,669,313	37.4 %	6,640,692	52.3 %
BBB	1,640,710	9.2 %	1,583,435	12.5 %
Total Bonds	<u>\$ 17,819,867</u>	<u>100.0 %</u>	<u>\$ 12,702,520</u>	<u>100.0 %</u>

Liquidity Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN UNIVERSE BOND FUND

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

Interest Rate Risk

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

BONDS BY MATURITY DATE
(in 000s)

	2017		2016	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 47,148	1.81 %	\$ 11	0.67 %
1 to 5 years	8,287,809	2.18 %	5,809,851	1.68 %
5 to 10 years	3,905,790	2.90 %	3,274,759	3.02 %
Over 10 years	5,579,120	3.01 %	3,617,899	3.16 %
Total Bonds	<u>\$ 17,819,867</u>	<u>2.60 %</u>	<u>\$ 12,702,520</u>	<u>2.45 %</u>

The duration is to be managed within ± 20 percent of the benchmark duration, which was 8 years as at December 31, 2017. As at December 31, 2017, the Fund had a duration of 8 years (2016 - 8 years). The maximum term to maturity is 28 years (2016 - 29 years).

If prevailing interest rates increased or decreased by 1% (100 bps), with all others variables held constant, net assets would have decreased or increased, respectively, by approximately \$1,417,036,000 (2016 - \$964,248,000), representing 7.9% of the Fund's net assets (2016 - 7.5%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Currency Risk

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

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

Other Price Risk

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

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

Bonds by Geographic Region

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN UNIVERSE BOND FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Bonds	\$ -	\$ 17,819,867	\$ 17,819,867
Money Market Funds	66,827	-	66,827
Total Investments	\$ 66,827	\$ 17,819,867	\$ 17,886,694
Futures Contracts, Net	270	-	270
Total	\$ 67,097	\$ 17,819,867	\$ 17,886,964

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 66,827

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 BCI	1	\$ 557,706	\$ 28,563

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN REAL RETURN BOND FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ -	\$ 4
Receivable from sale of investments		-	39,117
Interest receivable		2,654	5,405
Security lending revenue receivable		1	7
Investments		<u>1,498,700</u>	<u>2,979,296</u>
		<u>1,501,355</u>	<u>3,023,829</u>
Liabilities			
BCI cost recoveries payable	4	929	196
Other accounts payable		<u>3</u>	<u>6</u>
		<u>932</u>	<u>202</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,500,423</u>	<u>\$ 3,023,627</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,107.392</i>	<i>2,248.818</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,355</u>	<u>\$ 1,345</u>

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 35,968	\$ 84,605
Securities lending income		8	51
Change in fair value of investments:	6		
Net realized gain		51,985	31,954
Net change in unrealized depreciation		<u>(93,310)</u>	<u>(34,641)</u>
Total revenue		<u>(5,349)</u>	<u>81,969</u>
Expenses:			
BCI cost recoveries	4	1,785	2,090
Administrative fees		<u>11</u>	<u>40</u>
Total operating expenses		<u>1,796</u>	<u>2,130</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(7,145)</u>	<u>79,839</u>
Distributions to holders of redeemable units:			
From net investment income		(35,090)	(82,526)
From net realized gains on investments		<u>(52,273)</u>	<u>(31,665)</u>
		<u>(87,363)</u>	<u>(114,191)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (94,508)</u>	<u>\$ (34,352)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN REAL RETURN BOND FUND

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 3,023,627	\$ 3,319,588
Decrease in net assets attributable to holders of redeemable units	(94,508)	(34,352)
Redeemable unit transactions:		
Proceeds from units issued	440,380	-
Reinvestment of distributions	87,363	114,191
Amounts paid for units redeemed	(1,956,439)	(375,800)
Net decrease from redeemable unit transactions	(1,428,696)	(261,609)
Balance, end of year	\$ 1,500,423	\$ 3,023,627

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (94,508)	\$ (34,352)
Adjustments for:		
Interest income	(35,968)	(84,605)
Net realized gain from investments	(51,985)	(31,954)
Net change in unrealized depreciation from investments	93,310	34,641
Amortization of premiums and discounts	14,470	32,216
Non cash distributions	87,363	114,191
Proceeds from sale of investments	4,154,986	6,924,698
Amounts paid for purchase of investments	(2,730,185)	(6,624,207)
Receivable from sale of investments	39,117	(39,117)
Security lending revenue receivable	6	(7)
BCI cost recoveries payable	733	44
Other accounts payable	(3)	(8)
Interest received	38,719	84,264
	<u>1,516,055</u>	<u>375,804</u>
Financing activities:		
Proceeds from issue of redeemable units	440,380	-
Payments on redemption of redeemable units	(1,956,439)	(375,800)
	<u>(1,516,059)</u>	<u>(375,800)</u>
Net increase (decrease) in cash	(4)	4
Cash, beginning of year	<u>4</u>	<u>-</u>
Cash, end of year	\$ -	\$ 4

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN REAL RETURN BOND FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 1,240,488	\$ 1,225,425	\$ 2,347,158	\$ 2,269,296
Provincial Government	253,070	234,093	595,536	546,051
	<u>1,493,558</u>	<u>1,459,518</u>	<u>2,942,694</u>	<u>2,815,347</u>
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	<u>5,142</u>	<u>5,146</u>	<u>36,602</u>	<u>36,603</u>
Total Investments	<u><u>\$ 1,498,700</u></u>	<u><u>\$ 1,464,664</u></u>	<u><u>\$ 2,979,296</u></u>	<u><u>\$ 2,851,950</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN REAL RETURN BOND FUND

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

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

The Fund invests in the following securities:

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

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

- Nominal bonds may only be held for cash and liquidity management purposes and may not exceed 10% of the market value of the pool.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the termination of any affected derivative transaction to maximize sale proceeds.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

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

Credit Risk

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

BONDS
BY CREDIT RATING
(in 000s)

	2017		2016	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 1,249,026	83.6 %	\$ 2,429,565	82.6 %
A	244,532	16.4 %	513,129	17.4 %
Total Bonds	<u>\$ 1,493,558</u>	<u>100.0 %</u>	<u>\$ 2,942,694</u>	<u>100.0 %</u>

Liquidity Risk

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

Interest Rate Risk

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

BONDS
BY MATURITY DATE
(in 000s)

	2017		2016	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 6,163	0.48 %	\$ -	- %
1 to 5 years	189,063	0.24 %	374,484	(0.07) %
5 to 10 years	114,433	0.36 %	299,980	0.21 %
Over 10 years	1,183,899	0.68 %	2,268,230	0.88 %
Total Bonds	<u>\$ 1,493,558</u>	<u>0.60 %</u>	<u>\$ 2,942,694</u>	<u>0.69 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN REAL RETURN BOND FUND

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

The duration is to be managed within ± 10 percent of the benchmark duration, which was 15 years as at December 31, 2017. As at December 31, 2017, the Fund had a duration of 15 years (2016 - 17 years). The maximum term to maturity is 30 years (2016 - 29 years).

If prevailing interest rates increased or decreased by 1% (100 bps) with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$226,976,000 (2016 - \$455,235,000), representing 15.1% of the Fund's net assets (2016 - 15.1%). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

Currency Risk

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

Other Price Risk

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

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

Bonds by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Bonds	\$ -	\$ 1,493,558	\$ 1,493,558
Money Market Funds	5,142	-	5,142
Total Investments	\$ 5,142	\$ 1,493,558	\$ 1,498,700

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN REAL RETURN BOND FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 5,142

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 BCI	1	\$ 557,706	\$ 36,602

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

HIGH YIELD BOND FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ -	\$ 6,448
Interest receivable		10,939	9,252
Security lending revenue receivable		-	58
Derivative assets:			
Foreign currency contracts		408	5
Investments		937,308	847,064
		<u>948,655</u>	<u>862,827</u>
Liabilities			
BCI cost recoveries payable	4	478	138
Other accounts payable		3	1
Derivative liabilities:			
Foreign currency contracts		1,244	-
		<u>1,725</u>	<u>139</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 946,930</u></u>	<u><u>\$ 862,688</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>889.509</i>	<i>819.625</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,065</u></u>	<u><u>\$ 1,053</u></u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Period Ended December 31, 2016 <i>(note 1)</i>
Revenue:			
Interest income		\$ 39,971	\$ 22,723
Dividend income		3,793	18,852
Securities lending income		440	282
Foreign exchange loss		(1,347)	(2,329)
Change in fair value of investments and derivatives:	6		
Net realized gain		13,711	37,194
Net change in unrealized appreciation (depreciation)		<u>(44,487)</u>	<u>34,673</u>
Total revenue		<u>12,081</u>	<u>111,395</u>
Expenses:			
BCI cost recoveries	4	2,712	1,620
Administrative fees		27	308
Commissions and stock exchange fees		100	-
Total operating expenses		<u>2,839</u>	<u>1,928</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>9,242</u>	<u>109,467</u>
Distributions to holders of redeemable units:			
From net investment income		(40,367)	(37,894)
From net realized gains on investments and derivatives		<u>(13,578)</u>	<u>(36,932)</u>
		<u>(53,945)</u>	<u>(74,826)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (44,703)</u></u>	<u><u>\$ 34,641</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

HIGH YIELD BOND FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Period Ended December 31, 2016 <i>(note 1)</i>
Balance, beginning of period	\$ 862,688	\$ -
Increase (decrease) in net assets attributable to holders of redeemable units	(44,703)	34,641
Redeemable unit transactions:		
Proceeds from units issued	109,200	1,015,794
Reinvestment of distributions	53,945	74,826
Amounts paid for units redeemed	(34,200)	(262,573)
Net increase from redeemable unit transactions	128,945	828,047
Balance, end of period	\$ 946,930	\$ 862,688

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Period Ended December 31, 2016 <i>(note 1)</i>
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (44,703)	\$ 34,641
Adjustments for:		
Effect of exchange rate changes on cash	1,347	2,329
Interest income	(39,971)	(22,723)
Dividend income	(3,793)	(18,852)
Net realized gain from investments and derivatives	(13,711)	(37,194)
Net change in unrealized (appreciation) depreciation from investments and derivatives	44,487	(34,673)
Amortization of premiums and discounts	751	(523)
Non cash distributions	53,945	74,826
Proceeds from sale of investments	1,828,965	1,724,056
Amounts paid for purchase of investments	(1,949,895)	(2,498,735)
Security lending revenue receivable	58	(58)
BCI cost recoveries payable	340	138
Other accounts payable	2	1
Interest received	38,284	13,471
Dividends received	3,793	18,852
	<u>(80,101)</u>	<u>(744,444)</u>
Financing activities:		
Proceeds from issue of redeemable units	109,200	1,015,794
Payments on redemption of redeemable units	(34,200)	(262,573)
	<u>75,000</u>	<u>753,221</u>
Net increase (decrease) in cash	(5,101)	8,777
Effect of exchange rate changes on cash	(1,347)	(2,329)
Cash, beginning of period	6,448	-
Cash, end of period	\$ -	\$ 6,448

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

HIGH YIELD BOND FUND

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

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ -	\$ -	\$ 199,244	\$ 186,169
Investment Fund Investment ¹	137,009	138,299	-	-
Bonds:				
Corporate	782,126	789,482	625,260	603,530
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	2,498	2,501	531	531
Fund ST3	15,675	16,004	22,029	22,166
	18,173	18,505	22,560	22,697
Total Investments	\$ 937,308	\$ 946,286	\$ 847,064	\$ 812,396

¹ The investment fund investment ("Investment Fund") is held through a private corporation.

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

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	6	Jan 2018	CAD	\$ (69,910)	USD	\$ 70,190	\$ 280
2017	2	July 2018	CAD	(6,240)	USD	6,368	128
				<u>(76,150)</u>		<u>76,558</u>	<u>408</u>
2017	4	Jan 2018	CAD	(16,000)	USD	15,662	(338)
2017	4	Mar 2018	CAD	(45,000)	USD	14,094	(906)
				<u>(61,000)</u>		<u>59,756</u>	<u>(1,244)</u>
				<u>\$ (137,150)</u>		<u>\$ 136,314</u>	<u>\$ (836)</u>
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Mar 2017	CAD	\$ (5,000)	USD	\$ 5,005	\$ 5

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

HIGH YIELD BOND FUND

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

BONDS
BY CREDIT RATING
(in 000s)

	2017		2016	
	Total	% of Total	Total	% of Total
A	\$ 24,470	3.1 %	\$ -	- %
BBB	56,610	7.2 %	83,047	13.3 %
BB	533,364	68.2 %	392,113	62.7 %
B	159,602	20.4 %	150,100	24.0 %
Unrated	8,080	1.0 %	-	- %
Total Bonds	\$ 782,126	100.0 %	\$ 625,260	100.0 %

The Fund also has indirect exposure to credit risk through its investment in the Investment Fund, whose underlying investments are susceptible to credit risk. Such indirect exposure is managed by the external manager in conjunction with investment level decisions.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

HIGH YIELD BOND FUND

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

Liquidity Risk

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

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

DERIVATIVE LIABILITIES (in 000s)	2017			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (61,000)	\$ (61,000)	\$ (16,000)	\$ (45,000)
Inflows	59,756	59,756	15,662	44,094
	<u>\$ (1,244)</u>	<u>\$ (1,244)</u>	<u>\$ (338)</u>	<u>\$ (906)</u>

Interest Rate Risk

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

BY MATURITY DATE (in 000s)	2017		2016	
	Total	Avg Effective Yield	Total	Avg Effective Yield
1 to 5 years	\$ 352,297	5.30 %	\$ 245,375	2.66 %
5 to 10 years	374,239	5.62 %	304,233	2.73 %
Over 10 years	55,590	5.52 %	75,652	0.77 %
Total Bonds	<u>\$ 782,126</u>	<u>5.47 %</u>	<u>\$ 625,260</u>	<u>2.47 %</u>

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

If prevailing interest rates increased or decreased by 1% (100 bps), with all others variables held constant, net assets would have decreased or increased, respectively, by approximately \$ 39,435,000 (2016 - \$ 39,873,000), representing 4.2% of the Fund's net assets (2016 - 4.6 %). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

The Fund also has indirect exposure to interest rate risk through its investment in the Investment Fund, whose underlying investments are susceptible to interest rate risk. The indirect exposure is managed by the external manager in conjunction with their investment level decisions, including the ability to use interest rate derivatives.

Currency Risk

The Fund holds net assets, including foreign currency contracts, denominated in U.S. currency totalling \$943,735,000 CAD which represents 99.7% of the net asset value of the Fund (2016 - \$ 862,225,000 CAD which represented 99.9 % of the net asset value of the Fund). As at December 31, 2017, if the Canadian dollar had strengthened/weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$9,437,000 CAD (2016 - \$ 8,623,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

The Fund also has indirect exposure to currency risk through its investment in the Investment Fund, whose underlying investments are susceptible to currency risk. Such indirect exposure is managed by the external manager in conjunction with their investment level decisions, including the use of foreign currency hedging.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

HIGH YIELD BOND FUND

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

Other Price Risk

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

Exchange traded funds and an investment fund held as investments are exposed to other price risk. The exchange traded funds are based upon high yield bond indices, and match the movement of the market. The Investment Fund manager has an investment committee that reviews and manages these exposures with a view to achieving an appropriate balance between risks and returns.

As at December 31, 2017 and 2016, had the value of the exchange traded funds and Investment Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$ 13,701,000 (2016 - \$ 19,924,000) or 1.4 % (2016 - 2.3 %) of net assets attributable to redeemable units.

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

Bonds by Geographic Region

The Fund's debt securities and investment fund are exposed to the U.S. market. The fund has indirect exposure to other regions through the underlying investments of the Investment Fund.

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

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

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

All fair value measurements noted in the tables below are recurring.

December 31, 2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Investment Fund Investment	\$ -	\$ 137,009	\$ 137,009
Bonds	-	782,126	782,126
Money Market Funds	18,173	-	18,173
Total Investments	\$ 18,173	\$ 919,135	\$ 937,308
Foreign Currency Contracts, Net	-	(836)	(836)
Total	\$ 18,173	\$ 918,299	\$ 936,472

December 31, 2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 199,244	\$ -	\$ 199,244
Bonds	-	625,260	625,260
Money Market Funds	22,560	-	22,560
Total Investments	\$ 221,804	\$ 625,260	\$ 847,064
Foreign Currency Contracts, Net	-	5	5
Total	\$ 221,804	\$ 625,265	\$ 847,069

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

HIGH YIELD BOND FUND

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

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

During 2017 and 2016 there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	2	\$ 1,133,529	\$ 18,173
Investee funds administered by external manager	1	137,009	137,009

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 BCI	2	\$ 727,677	\$ 22,560

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL GOVERNMENT BOND FUND

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 33,200	\$ 1,358
Receivable from sale of investments		-	10,972
Interest receivable		4,895	4,746
Security lending revenue receivable		20	-
Derivative assets:			
Futures		50	130
Foreign currency contracts		18,585	8,471
Investments		<u>727,538</u>	<u>749,188</u>
		<u>784,288</u>	<u>774,865</u>
Liabilities			
Payable for purchase of investments		6,210	10,744
BCI cost recoveries payable	4	600	84
Other accounts payable		14	-
Derivative liabilities:			
Foreign currency contracts		<u>2,203</u>	<u>3,122</u>
		<u>9,027</u>	<u>13,950</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 775,261</u></u>	<u><u>\$ 760,915</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>574.555</i>	<i>574.555</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,349</u></u>	<u><u>\$ 1,324</u></u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 9,896	\$ 10,568
Securities lending income		176	90
Futures income (loss)		764	(25)
Foreign exchange gain (loss)		31	(10)
Change in fair value of investments and derivatives:	6		
Net realized gain		4,057	32,333
Net change in unrealized appreciation (depreciation)		<u>852</u>	<u>(17,219)</u>
Total revenue		<u>15,776</u>	<u>25,737</u>
Expenses:			
BCI cost recoveries	4	1,372	998
Administrative fees		<u>58</u>	<u>45</u>
Total operating expenses		<u>1,430</u>	<u>1,043</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>14,346</u>	<u>24,694</u>
Distributions to holders of redeemable units:			
From net investment income		(9,957)	(9,603)
From net realized gains on investments and derivatives		<u>(3,934)</u>	<u>(42,307)</u>
		<u>(13,891)</u>	<u>(51,910)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 455</u></u>	<u><u>\$ (27,216)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL GOVERNMENT BOND FUND

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 760,915	\$ 736,221
Increase (decrease) in net assets attributable to holders of redeemable units	455	(27,216)
Redeemable unit transactions:		
Reinvestment of distributions	13,891	51,910
Balance, end of year	\$ 775,261	\$ 760,915

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 455	\$ (27,216)
Adjustments for:		
Foreign exchange (gain) loss	(31)	10
Interest income	(9,896)	(10,568)
Net realized gain from investments and derivatives	(4,057)	(32,333)
Net change in unrealized (appreciation) depreciation from investments and derivatives	(852)	17,219
Amortization of premiums and discounts	5,199	6,049
Non cash distributions	13,891	51,910
Proceeds from sale of investments	546,378	928,208
Amounts paid for purchase of investments	(536,051)	(1,004,470)
Receivable from sale of investments	10,972	35,916
Net receivable for variation on futures	80	(79)
Security lending revenue receivable	(20)	-
Payable for purchase of investments	(4,534)	10,744
BCI cost recoveries payable	516	(22)
Other accounts payable	14	(14)
Interest received	9,747	11,204
Net increase (decrease) in cash	31,811	(13,442)
Effect of exchange rate changes on cash	31	(10)
Cash, beginning of year	1,358	14,810
Cash, end of year	\$ 33,200	\$ 1,358

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL GOVERNMENT BOND FUND

Schedule of Investments

as at December 31
(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Federal Government	\$ 984	\$ 972	\$ -	\$ -
Supranational and Sovereign	400,056	390,184	427,809	426,200
U.S. Federal Government	269,170	262,986	231,235	206,781
	<u>670,210</u>	<u>654,142</u>	<u>659,044</u>	<u>632,981</u>
Money Market Investments:				
Federal Government	-	-	2,992	2,992
Units in BCI Pooled Investment Portfolio				
Fund ST1	55,019	55,093	48,227	48,226
Fund ST3	2,309	2,355	38,925	38,860
	<u>57,328</u>	<u>57,448</u>	<u>90,144</u>	<u>90,078</u>
Total Investments	<u><u>\$ 727,538</u></u>	<u><u>\$ 711,590</u></u>	<u><u>\$ 749,188</u></u>	<u><u>\$ 723,059</u></u>

Schedule of Foreign Currency Contracts

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

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	2	Jan 2018	EUR	\$(200,595)	CAD	\$ 203,624	\$ 3,029
2017	2	Jan 2018	GBP	(54,039)	CAD	54,994	955
2017	2	Jan 2018	JPY	(155,548)	CAD	160,993	5,445
2017	2	Jan 2018	USD	(274,104)	CAD	281,137	7,033
2017	2	Jan 2018	DKK	(6,893)	CAD	6,999	106
2017	2	Jan 2018	SEK	(3,227)	CAD	3,257	30
2017	1	Jan 2018	CAD	(6,887)	DKK	6,893	6
2017	1	Jan 2018	CAD	(200,319)	EUR	200,595	276
2017	1	Jan 2018	CAD	(3,213)	SEK	3,227	14
2017	1	Jan 2018	CAD	(53,933)	GBP	54,039	106
2017	1	Feb 2018	JPY	(155,714)	CAD	155,924	210
2017	1	Feb 2018	USD	(273,985)	CAD	275,355	1,370
2017	1	Feb 2018	AUD	(11,261)	CAD	11,266	5
2017	1	Feb 2018	CAD	(1,891)	EUR	1,891	-
2017	1	Feb 2018	CAD	(24)	DKK	24	-
2017	1	Feb 2018	CAD	(10)	SEK	10	-
				<u>(1,401,643)</u>		<u>1,420,228</u>	<u>18,585</u>
2017	2	Jan 2018	AUD	(11,266)	CAD	11,186	(80)
2017	1	Jan 2018	CAD	(155,804)	JPY	155,548	(256)
2017	1	Jan 2018	CAD	(275,475)	USD	274,100	(1,375)
2017	1	Jan 2018	CAD	(11,272)	AUD	11,266	(6)
2017	1	Feb 2018	DKK	(6,904)	CAD	6,894	(10)
2017	1	Feb 2018	EUR	(200,868)	CAD	200,522	(346)
2017	1	Feb 2018	SEK	(3,232)	CAD	3,217	(15)
2017	2	Feb 2018	GBP	(54,907)	CAD	54,792	(115)
2017	1	Feb 2018	CAD	(98)	AUD	98	-
2017	1	Feb 2018	JPY	(111)	CAD	111	-
2017	1	Feb 2018	USD	(309)	CAD	309	-
				<u>\$(720,246)</u>		<u>\$ 718,043</u>	<u>\$ (2,203)</u>
				<u><u>\$(2,121,889)</u></u>		<u><u>\$ 2,138,271</u></u>	<u><u>\$ 16,382</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL GOVERNMENT BOND FUND

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

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

Schedule of Futures Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Notional Value	Net Receivable (Payable)
2017	311	March 2018	<u>\$ 56,304</u>	<u>\$ 50</u>
2016	400	March 2017	<u>\$ 51,700</u>	<u>\$ 130</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

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

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

The Fund invests in the following securities:

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

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

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

BONDS

BY CREDIT RATING
(in 000s)

	2017		2016	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 440,158	65.7 %	\$ 426,832	64.8 %
A	145,776	21.8 %	159,591	24.2 %
BBB	84,276	12.6 %	72,621	11.0 %
Total Bonds	\$ 670,210	100.0 %	\$ 659,044	100.0 %

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

Liquidity Risk

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

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

DERIVATIVE LIABILITIES (in 000s)	2017			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (720,246)	\$ (720,246)	\$ (453,818)	\$ (266,428)
Inflows	718,043	718,043	452,103	265,940
	<u>\$ (2,203)</u>	<u>\$ (2,203)</u>	<u>\$ (1,715)</u>	<u>\$ (488)</u>

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

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

Interest Rate Risk

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

BONDS BY MATURITY DATE (in 000s)	2017		2016	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 12,470	1.69 %	\$ 11,798	(0.30)%
1 to 5 years	337,155	1.10 %	269,604	1.00 %
5 to 10 years	125,111	0.91 %	191,267	0.66 %
Over 10 years	195,474	1.07 %	186,375	1.87 %
Total Bonds	<u>\$ 670,210</u>	<u>1.07 %</u>	<u>\$ 659,044</u>	<u>1.12 %</u>

The duration is to be managed within ± 20 percent of the benchmark duration, which was 7 years as at December 31, 2017. As at December 31, 2017, the Fund had a duration of 7 years (2016 - 7 years). The maximum term to maturity is 27 years (2016 - 28 years).

If prevailing interest rates increased or decreased by 1% (100 bps), with all others variables held constant, net assets would have decreased or increased, respectively, by approximately \$52,725,000 (2016 - \$55,076,000), representing 6.8% of the Fund's net assets (2016 - 7.2%). In practice, the actual 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
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

Currency Risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2017			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 11,136	\$ (11,163)	\$ (27)	-%
British Pound Sterling	54,680	(54,907)	(227)	- %
Danish Krone	6,839	(6,879)	(40)	- %
Euro	198,246	(198,977)	(731)	(0.1)%
Japanese Yen	155,515	(155,825)	(310)	- %
Swedish Krona	3,211	(3,222)	(11)	- %
United States Dollar	273,869	(274,294)	(425)	(0.1)%
Net Foreign Exchange Exposure	\$ 703,496	\$ (705,267)	\$ (1,771)	(0.2)%

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

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

As at December 31, 2017, 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 \$17,000 (2016 - \$16,000), representing 0.002% of the Fund's net assets (2016 - 0.002%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

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

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

Bonds by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Australia	\$ 10,936	1.6 %	\$ 23,339	3.5 %
Belgium	15,068	2.2 %	13,593	2.1 %
Denmark	6,558	1.0 %	7,966	1.2 %
France	62,652	9.3 %	46,082	7.0 %
Germany	8,499	1.3 %	30,270	4.6 %
Italy	53,873	8.0 %	45,943	7.0 %
Japan	145,776	21.8 %	159,591	24.2 %
Netherlands	10,974	1.6 %	15,860	2.4 %
Spain	30,403	4.5 %	26,678	4.0 %
Sweden	2,047	0.3 %	1,657	0.3 %
United Kingdom	53,269	7.9 %	49,260	7.5 %
United States	269,171	40.4 %	231,235	35.1 %
Supranational	-	- %	7,570	1.1 %
Canada	984	0.1 %	-	- %
Total Bonds	\$ 670,210	100.0 %	\$ 659,044	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Bonds	\$ -	\$ 670,210	\$ 670,210
Money Market Funds	57,328	-	57,328
Total Investments	\$ 57,328	\$ 670,210	\$ 727,538
Futures Contracts, Net	50	-	50
Foreign Currency Contracts, Net	-	16,382	16,382
Total	\$ 57,378	\$ 686,592	\$ 743,970

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

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL GOVERNMENT BOND FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	2	\$ 1,133,529	\$ 57,328

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 BCI	2	\$ 785,644	\$ 87,152

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

FIXED TERM MORTGAGE FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Investments		<u>\$ 1,612,403</u>	<u>\$ 1,630,682</u>
		<u>1,612,403</u>	<u>1,630,682</u>
Liabilities			
Payable for redemption of units		9,000	16,000
BCI cost recoveries payable	4	1,546	327
Other accounts payable		11	-
		<u>10,557</u>	<u>16,327</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,601,846</u></u>	<u><u>\$ 1,614,355</u></u>
<i>Number of redeemable units outstanding</i>	5	385.024	393.507
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 4,160</u></u>	<u><u>\$ 4,102</u></u>

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 64,052	\$ 68,101
Change in fair value of investments:	6		
Net realized gain (loss)		(67)	18
Net change in unrealized depreciation		(37,241)	(25,598)
Total Revenue		<u>26,744</u>	<u>42,521</u>
Expenses:			
BCI cost recoveries	4	4,191	2,994
Administrative fees		62	26
Total operating expenses		<u>4,253</u>	<u>3,020</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>22,491</u>	<u>39,501</u>
Distributions to holders of redeemable units:			
From net investment income		(60,870)	(65,491)
		<u>(60,870)</u>	<u>(65,491)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (38,379)</u></u>	<u><u>\$ (25,990)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

FIXED TERM MORTGAGE FUND

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 1,614,355	\$ 1,646,854
Decrease in net assets attributable to holders of redeemable units	(38,379)	(25,990)
Redeemable unit transactions:		
Proceeds from units issued	178,000	301,000
Reinvestment of distributions	60,870	65,491
Amounts paid for units redeemed	(213,000)	(373,000)
Net increase (decrease) from redeemable unit transactions	25,870	(6,509)
Balance, end of year	\$ 1,601,846	\$ 1,614,355

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (38,379)	\$ (25,990)
Adjustments for:		
Interest income	(64,052)	(68,101)
Net realized (gain) loss from investments	67	(18)
Net change in unrealized depreciation from investments	37,241	25,598
Non cash distributions	60,870	65,491
Proceeds from sale of investments	374,082	710,012
Amounts paid for purchase of investments	(393,111)	(676,200)
Payable for redemption of units	(7,000)	(27,000)
BCI cost recoveries	1,219	118
Other accounts payable	11	(11)
Interest received	64,052	68,101
	<u>35,000</u>	<u>72,000</u>
Financing activities:		
Proceeds from issue of redeemable units	178,000	301,000
Payments on redemption of redeemable units	(213,000)	(373,000)
	<u>(35,000)</u>	<u>(72,000)</u>
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

FIXED TERM MORTGAGE FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Mortgage Investments ¹	\$ 1,602,361	\$ 1,595,048	\$ 1,613,657	\$ 1,569,116
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10,042	10,055	17,025	17,025
Total Investments	\$ 1,612,403	\$ 1,605,103	\$ 1,630,682	\$ 1,586,141

¹ The mortgage investments are held through a limited partnership.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

FIXED TERM MORTGAGE FUND

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

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

The Fund is actively managed. Portfolio managers utilize a multi-factor risk rating model to assess risk levels of individual investment opportunities. The risk factors that are evaluated include location, structure quality, tenant quality, borrower and covenantor's financial strength, loan to value levels, debt servicing ability, and borrower's experience. This information is used to determine the risk premium for each mortgage investment. The Fund maintains a prudent level of diversification by property type, geographic location, investment size, and risk.

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

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

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

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

(in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Fixed-Rate Mortgages	\$ 1,518,341	94.7 %	\$ 1,537,043	95.3 %
Floating-Rate Mortgage	73,022	4.6 %	65,011	4.0 %
Money Market Funds	5,721	0.4 %	6,246	0.4 %
Other Net Receivables	5,277	0.3 %	5,357	0.3 %
Total Net Assets of Limited Partnership	<u>\$ 1,602,361</u>	<u>100.0 %</u>	<u>\$ 1,613,657</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the investments held by the limited partnership have been considered.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

FIXED TERM MORTGAGE FUND

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

Credit Risk (continued)

Mortgages by Industry Sector

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

INDUSTRY SECTOR
(in 000s)

	2017		2016	
	Total	% of Total	Total	% of Total
Retail	\$ 487,856	30.7 %	\$ 464,698	29.0 %
Office	581,677	36.6 %	677,456	42.3 %
Industrial	227,003	14.3 %	243,975	15.2 %
Residential	281,467	17.7 %	201,543	12.6 %
Other	13,361	0.8 %	14,382	0.9 %
Total Mortgages	<u>\$ 1,591,364</u>	<u>100.0 %</u>	<u>\$ 1,602,054</u>	<u>100.0 %</u>

INDUSTRY SECTOR
(Number of Mortgages)

	2017		2016	
	Total	% of Total	Total	% of Total
Retail	10	22.2 %	13	22.4 %
Office	20	44.4 %	25	43.1 %
Industrial	5	11.1 %	8	13.8 %
Residential	9	20.0 %	11	19.0 %
Other	1	2.2 %	1	1.7 %
Total Mortgages	<u>45</u>	<u>100.0 %</u>	<u>58</u>	<u>100.0 %</u>

Liquidity Risk

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

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

Interest Rate Risk

The Fund invests in fixed term mortgages with maturities typically ranging from 1 to 5 years. The duration of the Fund is 2.4 years. Lending rates for mortgages are determined based on the current yield of Government of Canada debt securities with a similar term to maturity plus a risk and liquidity premium.

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

MORTGAGES

BY MATURITY DATE
(in 000s)

	2017		2016	
	Total	Avg Effective Yield %	Total	Avg Effective Yield %
Floating-Rate Mortgages				
Within 1 year	\$ 73,022	n/a	\$ 65,011	n/a
Fixed-Rate Mortgages				
Within 1 year	307,532	2.56 %	365,434	2.57 %
1 to 5 years	1,182,428	3.51 %	860,862	2.85 %
5 to 10 years	28,382	3.38 %	310,747	3.17 %
Total Mortgages	<u>\$ 1,591,364</u>	<u>3.32 %</u>	<u>\$ 1,602,054</u>	<u>2.85 %</u>

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased by approximately \$35,839,685 (2016 - \$38,806,925), representing 2.2% of the Fund's net assets (2016 - 2.4%).

Currency Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

FIXED TERM MORTGAGE FUND

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

Other Price Risk

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

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

Investments by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Mortgage Investments	\$ -	\$ 1,591,342	\$ 1,591,342
Money Market Funds	15,828	-	15,828
Net Investment-Related Receivable	-	5,233	5,233
Total Investments	<u>\$ 15,828</u>	<u>\$ 1,596,575</u>	<u>\$ 1,612,403</u>

	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Mortgage Investments	\$ -	\$ 1,602,043	\$ 1,602,043
Money Market Funds	23,273	-	23,273
Net Investment-Related Receivable	-	5,366	5,366
Total Investments	<u>\$ 23,273</u>	<u>\$ 1,607,409</u>	<u>\$ 1,630,682</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

FIXED TERM MORTGAGE FUND

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

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

During 2017 and 2016, there were no significant transfers between Level 1 and Level 2.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 10,055

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 BCI	1	\$ 557,706	\$ 17,025

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CONSTRUCTION MORTGAGE FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Receivable from issue of units		\$ 30,500	\$ -
Investments		<u>1,075,624</u>	<u>1,035,600</u>
		<u>1,106,124</u>	<u>1,035,600</u>
Liabilities			
Payable for redemption of units		-	63,500
BCI cost recoveries payable	4	910	227
Other accounts payable		<u>11</u>	<u>-</u>
		<u>921</u>	<u>63,727</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,105,203</u></u>	<u><u>\$ 971,873</u></u>
<i>Number of redeemable units outstanding</i>	5	299.811	274.526
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,686</u></u>	<u><u>\$ 3,540</u></u>

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 121	\$ 22
Change in fair value of investments:	6		
Net realized gain		33,354	29,734
Net change in unrealized appreciation		<u>10,382</u>	<u>14,073</u>
Total Revenue		<u>43,857</u>	<u>43,829</u>
Expenses:			
BCI cost recoveries	4	2,980	2,491
Administrative fees		39	8
Legal fees		<u>8</u>	<u>-</u>
Total operating expenses		<u>3,027</u>	<u>2,499</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>40,830</u>	<u>41,330</u>
Distributions to holders of redeemable units:			
From net investment income		13	2,477
From net realized gains on investments		<u>(31,416)</u>	<u>(29,727)</u>
		<u>(31,403)</u>	<u>(27,250)</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 9,427</u></u>	<u><u>\$ 14,080</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CONSTRUCTION MORTGAGE FUND

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

(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 971,873	\$ 841,043
Increase in net assets attributable to holders of redeemable units	9,427	14,080
Redeemable unit transactions:		
Proceeds from units issued	343,500	304,000
Reinvestment of distributions	31,403	27,250
Amounts paid for units redeemed	(251,000)	(214,500)
Net increase from redeemable unit transactions	123,903	116,750
Balance, end of year	\$ 1,105,203	\$ 971,873

Statement of Cash Flows

(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 9,427	\$ 14,080
Adjustments for:		
Interest income	(121)	(22)
Net realized gain from investments	(33,354)	(29,734)
Net change in unrealized appreciation from investments	(10,382)	(14,073)
Non cash distributions	31,403	27,250
Proceeds from sale of investments	568,340	400,387
Amounts paid for purchase of investments	(564,628)	(575,999)
Receivable from issue of units	(30,500)	25,000
Payable for redemption of units	(63,500)	63,500
BCI cost recoveries	683	100
Other accounts payable	11	(11)
Interest received	121	22
	(92,500)	(89,500)
Financing activities:		
Proceeds from issue of redeemable units	343,500	304,000
Payments on redemption of redeemable units	(251,000)	(214,500)
	92,500	89,500
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CONSTRUCTION MORTGAGE FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Mortgage Investments ¹	\$ 1,074,936	\$ 929,721	\$ 970,632	\$ 835,806
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	688	689	64,968	64,962
Total Investments	\$ 1,075,624	\$ 930,410	\$ 1,035,600	\$ 900,768

¹ The mortgage investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CONSTRUCTION MORTGAGE FUND

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

The investment objective of the Construction Mortgage Fund (the Fund) is to increase returns relative to the Fund's benchmark, the FTSE TMX Canada 365-Day T-Bill Index plus 100 basis points (to compensate for illiquidity and credit risk relative to the index). Portfolio managers utilize a multi-factor risk rating model to assess risk levels of individual investment opportunities. The risk factors that are evaluated include location, structure quality, tenant quality, green building features, borrower and covenantor's financial strength, loan to value levels, loan to cost levels, debt servicing ability, and developer's experience. This information is used to determine the risk premium for each mortgage investment.

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

The Fund invests in the following securities:

- Canadian construction first, second, and third mortgages,
- Canadian first, second and third mortgages on land held for development
- A/B Notes, providing noteholders with a pro rata interest in a first mortgage loan or loans, with the security in favour of holders of B Notes subordinated to the security in favour of corresponding A Notes
- units in BCI's Pooled Investment Portfolios ST1 and ST2
- units in Floating Rate Funds.

The following restrictions apply to the Fund:

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

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

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

(in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Variable-Rate Mortgages	\$ 883,326	82.2 %	\$ 772,599	79.6 %
Fixed-Rate Mortgages	135,654	12.6 %	132,403	13.6 %
Money Market Funds	53,241	4.9 %	63,976	6.6 %
Other Net Receivables	2,715	0.3 %	1,654	0.2 %
Total Net Assets of Mortgage Corporation	<u>\$ 1,074,936</u>	<u>100.0 %</u>	<u>\$ 970,632</u>	<u>100.0 %</u>

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of the investments held by the corporation have been considered.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CONSTRUCTION MORTGAGE FUND

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

Mortgages by Industry Sector

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

INDUSTRY SECTOR
(in 000s)

	2017		2016	
	Total	% of Total	Total	% of Total
Office	\$ 102,044	10.0 %	\$ 102,044	11.3 %
Residential	623,293	61.2 %	540,304	59.7 %
Land lease communities	293,643	28.8 %	262,654	29.0 %
Total Mortgages	<u>\$ 1,018,980</u>	<u>100.0 %</u>	<u>\$ 905,002</u>	<u>100.0 %</u>

INDUSTRY SECTOR
(Number of Mortgages)

	2017		2016	
	Total	% of Total	Total	% of Total
Office	1	6.3 %	1	6.3 %
Residential	11	68.7 %	11	68.7 %
Land lease communities	4	25.0 %	4	25.0 %
Total Mortgages	<u>16</u>	<u>100.0 %</u>	<u>16</u>	<u>100.0 %</u>

Liquidity Risk

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

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

Interest Rate Risk

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

MORTGAGES

BY MATURITY DATE
(in 000s)

	2017		2016	
	Total	Average Effective Yield %	Total	Average Effective Yield %
Floating Rate Mortgages				
Within 1 year	\$ 215,050	n/a	\$ 358,732	n/a
1 to 5 years	668,276	n/a	413,867	n/a
Fixed Rate Mortgages				
Within 1 year	10,048	3.2 %	\$ 22,601	4.5 %
1 to 5 years	125,606	5.1 %	\$ 109,802	3.4 %
Total Mortgages	<u>\$ 1,018,980</u>	<u>5.0 %</u>	<u>\$ 905,002</u>	<u>3.6 %</u>

If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$3,436,000 (2016 - \$2,316,000), representing 0.3% of the Fund's net assets (2016 - 0.2%).

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

Currency Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CONSTRUCTION MORTGAGE FUND

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

Other Price Risk

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

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

Investments by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Mortgage Investments	\$ -	\$ 1,018,980	\$ 1,018,980
Money Market Funds	53,929	-	53,929
Net Investment-Related Receivable	-	2,715	2,715
Total Investments	<u>\$ 53,929</u>	<u>\$ 1,021,695</u>	<u>\$ 1,075,624</u>

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Mortgage Investments	\$ -	\$ 905,002	\$ 905,002
Money Market Funds	128,944	-	128,944
Net Investment-Related Receivable	-	1,654	1,654
Total Investments	<u>\$ 128,944</u>	<u>\$ 906,656</u>	<u>\$ 1,035,600</u>

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CONSTRUCTION MORTGAGE FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 688

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 BCI	1	\$ 557,706	\$ 64,968

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 40,645	\$ 58,932
Receivable from sale of investments		3,086	1,252
Dividends receivable		9,024	8,082
Security lending revenue receivable		39	60
Investments		4,369,664	3,872,413
		<u>4,422,458</u>	<u>3,940,739</u>
Liabilities			
Payable for purchase of investments		11,107	1,048
External management fees payable		1,720	1,496
BCI cost recoveries payable	4	5,074	475
Other accounts payable		11	8
		<u>17,912</u>	<u>3,027</u>
Net assets attributable to holders of redeemable units		<u>\$ 4,404,546</u>	<u>\$ 3,937,712</u>
<i>Number of redeemable units outstanding</i>	5	362.587	349.475
Net assets attributable to holders of redeemable units per unit		<u>\$ 12,148</u>	<u>\$ 11,268</u>

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 631	\$ 479
Dividend income		108,489	91,981
Securities lending income		368	544
Foreign exchange gain		211	1
Change in fair value of investments:	6		
Net realized gain		108,169	19,961
Net change in unrealized appreciation		<u>115,701</u>	<u>460,290</u>
Total revenue		<u>333,569</u>	<u>573,256</u>
Expenses:			
BCI cost recoveries	4	9,854	5,161
External management fees		6,494	5,207
Administrative fees		32	103
Commissions and stock exchange fees		<u>1,755</u>	<u>1,778</u>
Total operating expenses		<u>18,135</u>	<u>12,249</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>315,434</u>	<u>561,007</u>
Distributions to holders of redeemable units:			
From net investment income		(96,691)	(81,787)
From net realized gains on investments		<u>(102,086)</u>	<u>(21,322)</u>
		<u>(198,777)</u>	<u>(103,109)</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 116,657</u>	<u>\$ 457,898</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 3,937,712	\$ 2,923,791
Increase in net assets attributable to holders of redeemable units	116,657	457,898
Redeemable unit transactions:		
Proceeds from units issued	249,520	475,316
Reinvestment of distributions	198,777	103,109
Amounts paid for units redeemed	(98,120)	(22,402)
Net increase from redeemable unit transactions	350,177	556,023
Balance, end of year	\$ 4,404,546	\$ 3,937,712

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 116,657	\$ 457,898
Adjustments for:		
Foreign exchange gain	(211)	(1)
Interest income	(631)	(479)
Dividend income	(108,489)	(91,981)
Net realized gain from investments	(108,169)	(19,961)
Net change in unrealized appreciation from investments	(115,701)	(460,290)
Non cash distributions	198,777	103,109
Proceeds from sale of investments	1,246,312	1,067,458
Amounts paid for purchase of investments	(1,519,693)	(1,550,254)
Receivable from sale of investments	(1,834)	558
Receivable from issue of units	-	943
Security lending revenue receivable	21	(5)
Payable for purchase of investments	10,059	(7,345)
External management fees payable	224	470
BCI cost recoveries payable	4,599	109
Other accounts payable	3	(10)
Interest received	631	479
Dividends received	107,547	90,754
	<u>(169,898)</u>	<u>(408,548)</u>
Financing activities:		
Proceeds from issue of redeemable units	249,520	475,316
Payments on redemption of redeemable units	(98,120)	(22,402)
	<u>151,400</u>	<u>452,914</u>
Net increase (decrease) in cash	(18,498)	44,366
Effect of exchange rate changes on cash	211	1
Cash, beginning of year	58,932	14,565
Cash, end of year	\$ 40,645	\$ 58,932

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	\$ 4,324,113	\$ 3,497,146	\$ 3,825,486	\$ 3,114,272
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	<u>45,551</u>	<u>45,602</u>	<u>46,927</u>	<u>46,926</u>
Total Investments	<u>\$ 4,369,664</u>	<u>\$ 3,542,748</u>	<u>\$ 3,872,413</u>	<u>\$ 3,161,198</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

Currency Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 254,325	5.8 %	\$ 191,150	5.0 %
Consumer Staple	150,206	3.5 %	133,989	3.5 %
Energy	907,832	21.0 %	897,145	23.5 %
Financial Services	1,515,581	35.0 %	1,422,521	37.1 %
Health Care	11,382	0.3 %	6,099	0.2 %
Industrial Products	304,018	7.0 %	197,335	5.2 %
Information Technology	266,338	6.2 %	244,123	6.4 %
Materials and Processing	419,682	9.7 %	386,790	10.1 %
Real Estate	97,591	2.3 %	-	- %
Telecommunication Services	263,669	6.1 %	246,742	6.4 %
Utilities	133,489	3.1 %	99,592	2.6 %
Total Equities	<u>\$ 4,324,113</u>	<u>100.0 %</u>	<u>\$ 3,825,486</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$407,034,000 (2016 - \$357,998,000) or 9.2% (2016 - 9.1%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 4,324,113	\$ -	\$ 4,324,113
Money Market Funds	45,551	-	45,551
Total Investments	<u>\$ 4,369,664</u>	<u>\$ -</u>	<u>\$ 4,369,664</u>

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 45,551

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 BCI	1	\$ 557,706	\$ 46,927

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 2,972	\$ 11
Receivable from sale of investments		-	884
Receivable from issue of units		665	-
Dividends receivable		1,814	1,215
Security lending revenue receivable		175	9
Investments		<u>910,516</u>	<u>624,840</u>
		<u>916,142</u>	<u>626,959</u>
Liabilities			
Payable for purchase of investments		284	66
External management fees payable		586	513
BCI cost recoveries payable	4	2,158	57
Other accounts payable		<u>3</u>	<u>1</u>
		<u>3,031</u>	<u>637</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 913,111</u></u>	<u><u>\$ 626,322</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>418.107</i>	<i>320.531</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,184</u></u>	<u><u>\$ 1,954</u></u>

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 207	\$ 247
Dividend income		12,276	9,320
Securities lending income		1,428	65
Change in fair value of investments:	6		
Net realized gain		25,442	20,887
Net change in unrealized appreciation		<u>53,154</u>	<u>43,536</u>
Total revenue		<u>92,507</u>	<u>74,055</u>
Expenses:			
BCI cost recoveries	4	3,140	619
External management fees		2,274	1,916
Administrative fees		19	31
Commissions and stock exchange fees		<u>575</u>	<u>380</u>
Total operating expenses		<u>6,008</u>	<u>2,946</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>86,499</u>	<u>71,109</u>
Distributions to holders of redeemable units:			
From net investment income		(9,824)	(6,935)
From net realized gains on investments		<u>(24,738)</u>	<u>(20,170)</u>
		<u>(34,562)</u>	<u>(27,105)</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 51,937</u></u>	<u><u>\$ 44,004</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 626,322	\$ 510,181
Increase in net assets attributable to holders of redeemable units	51,937	44,004
Redeemable unit transactions:		
Proceeds from units issued	200,290	50,949
Reinvestment of distributions	34,562	27,105
Amounts paid for units redeemed	-	(5,917)
Net increase from redeemable unit transactions	234,852	72,137
Balance, end of year	\$ 913,111	\$ 626,322

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 51,937	\$ 44,004
Adjustments for:		
Interest income	(207)	(247)
Dividend income	(12,276)	(9,320)
Net realized gain from investments	(25,442)	(20,887)
Net change in unrealized appreciation from investments	(53,154)	(43,536)
Amortization of premiums and discounts	(154)	(257)
Non cash distributions	34,562	27,105
Proceeds from sale of investments	578,660	353,916
Amounts paid for purchase of investments	(785,586)	(409,952)
Receivable from sale of investments	884	1,117
Receivable from issue of units	(665)	-
Security lending revenue receivable	(166)	3
Payable for purchase of investments	218	(2,042)
External management fees payable	73	107
BCI cost recoveries payable	2,101	19
Other accounts payable	2	(11)
Interest received	207	247
Dividends received	11,677	9,157
	<u>(197,329)</u>	<u>(50,577)</u>
Financing activities:		
Proceeds from issue of redeemable units	200,290	50,949
Payments on redemption of redeemable units	-	(5,917)
	<u>200,290</u>	<u>45,032</u>
Net increase (decrease) in cash	2,961	(5,545)
Cash, beginning of year	11	5,556
Cash, end of year	\$ 2,972	\$ 11

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 875,523	\$ 612,761	\$ 605,759	\$ 396,162
Money Market Investments:				
Corporate	26,314	26,317	18,527	18,528
Units in BCI Pooled Investment Portfolio				
Fund ST1	8,679	8,688	554	554
	34,993	35,005	19,081	19,082
Total Investments	\$ 910,516	\$ 647,766	\$ 624,840	\$ 415,244

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

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

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 81,242	9.4 %	\$ 45,543	7.6 %
Consumer Staple	43,738	5.0 %	26,719	4.4 %
Energy	177,576	20.3 %	143,812	23.7 %
Financial Services	76,607	8.7 %	86,490	14.3 %
Health Care	13,299	1.5 %	8,222	1.4 %
Industrial Products	233,867	26.6 %	152,702	25.1 %
Information Technology	69,694	8.0 %	45,971	7.6 %
Materials and Processing	114,618	13.1 %	96,300	15.9 %
Real Estate	64,882	7.4 %	-	- %
Total Equities	<u>\$ 875,523</u>	<u>100.0 %</u>	<u>\$ 605,759</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$50,325,000 (2016 - \$43,106,000) or 5.5% (2016 - 6.9%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 875,523	\$ -	\$ 875,523
Money Market Investments	-	26,314	26,314
Money Market Funds	8,679	-	8,679
Total Investments	<u>\$ 884,202</u>	<u>\$ 26,314</u>	<u>\$ 910,516</u>

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 8,679

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 BCI	1	\$ 557,706	\$ 554

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Canadian Equity Fund)

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 47	\$ 575
Receivable from sale of investments		-	9,460
Receivable from issue of units		-	416
Dividends receivable		1,496	7,451
Security lending revenue receivable		4	74
Investments		3,224,056	2,916,353
		<u>3,225,603</u>	<u>2,934,329</u>
Liabilities			
Payable for purchase of investments		-	12,335
External management fees payable		-	1,255
BCI cost recoveries payable	4	4,422	315
Other accounts payable		3	6
Derivative liabilities:			
Futures		-	27
		<u>4,425</u>	<u>13,938</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 3,221,178</u></u>	<u><u>\$ 2,920,391</u></u>
<i>Number of redeemable units outstanding</i>	5	814.528	814.386
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,955</u></u>	<u><u>\$ 3,586</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 79	\$ 488
Investment fund distribution		56,786	-
Dividend income		47,963	83,092
Securities lending income		384	667
Futures income		35	684
Change in fair value of investments and derivatives:	6		
Net realized gain		476,156	135,285
Net change in unrealized appreciation (depreciation)		(269,221)	300,855
Total revenue		<u>312,182</u>	<u>521,071</u>
Expenses:			
BCI cost recoveries	4	7,163	3,434
External management fees		2,654	5,429
Administrative fees		113	195
Commissions and stock exchange fees		1,984	2,317
Total operating expenses		<u>11,914</u>	<u>11,375</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>300,268</u>	<u>509,696</u>
Distributions to holders of redeemable units:			
From net investment income		(105,521)	(75,914)
From net realized gains on investments and derivatives		(419,740)	(103,989)
		<u>(525,261)</u>	<u>(179,903)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (224,993)</u></u>	<u><u>\$ 329,793</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Canadian Equity Fund)

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 2,920,391	\$ 3,391,673
Increase (decrease) in net assets attributable to holders of redeemable units	(224,993)	329,793
Redeemable unit transactions:		
Proceeds from units issued	121,974	6,849
Reinvestment of distributions	525,261	179,903
Amounts paid for units redeemed	(121,455)	(987,827)
Net increase (decrease) from redeemable unit transactions	525,780	(801,075)
Balance, end of year	\$ 3,221,178	\$ 2,920,391

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (224,993)	\$ 329,793
Adjustments for:		
Interest income	(79)	(488)
Investment fund distribution	(56,786)	-
Dividend income	(47,963)	(83,092)
Net realized gain from investments and derivatives	(476,156)	(135,285)
Net change in unrealized (appreciation) depreciation from investments and derivatives	269,221	(300,855)
Amortization of premiums and discounts	(19)	(299)
Non cash distributions	525,261	179,903
Proceeds from sale of investments	7,143,628	2,985,198
Amounts paid for purchase of investments	(7,244,377)	(2,084,130)
Receivable from sale of investments	9,460	(2,714)
Receivable from issue of units	416	(416)
Net payable for variation on futures	(27)	(34)
Security lending revenue receivable	70	(6)
Payable for purchase of investments	(12,335)	2,201
External management fees payable	(1,255)	(389)
BCI cost recoveries payable	4,107	11
Other accounts payable	(3)	(57)
Interest received	79	488
Investment fund distributions received	56,786	-
Dividends received	53,918	83,122
	(1,047)	972,951
Financing activities:		
Proceeds from issue of redeemable units	121,974	6,849
Payments on redemption of redeemable units	(121,455)	(987,827)
	519	(980,978)
Net decrease in cash	(528)	(8,027)
Cash, beginning of year	575	8,602
Cash, end of year	\$ 47	\$ 575

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Canadian Equity Fund)

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

	2017		2016	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	\$ 516,111	\$ 411,593	\$ 2,901,983	\$ 2,342,254
Investment Fund Investment	2,702,891	2,516,895	-	-
 Money Market Investments:				
Federal Government	-	-	7,493	7,493
Units in BCI Pooled Investment Portfolio				
Fund ST1	<u>5,054</u>	<u>5,061</u>	<u>6,877</u>	<u>6,878</u>
	<u>5,054</u>	<u>5,061</u>	<u>14,370</u>	<u>14,371</u>
 Total Investments	 <u>\$ 3,224,056</u>	 <u>\$ 2,933,549</u>	 <u>\$ 2,916,353</u>	 <u>\$ 2,356,625</u>

Schedule of Futures Contracts
as at December 31

(all amounts reported in thousands of Canadian dollars)

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Canadian Equity Fund)

Financial Risk Management Discussion
as at December 31

The Canadian Quantitative Active Equity Fund (formerly Enhanced Indexed Canadian Equity Fund) (the Fund) invests in a portfolio of actively managed Canadian securities and international stocks. The Fund differs from the Active Canadian Equity Fund in that it relies on financial modelling to identify and rank under- or over-valued securities relative to other securities in its benchmark, the S&P/TSX Capped Composite Index (the Index). The Fund's objective is to exceed the return of the benchmark by 150 basis points per annum, net of investment expenses, on a four year moving average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of Canadian companies and companies listed on recognized exchanges in developed and emerging markets,
- publicly traded income trust units,
- limited partnership interests, royalty trusts, and real estate investment trusts that trade on recognized exchanges,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in external managers' pooled funds provided such holdings are permissible investments for the Fund,
- derivative instruments for the purposes of managing risk, enhancing returns and liquidity, lowering transaction costs, implementing synthetic indexing, and managing stock exposures,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- money market securities rated A-1 (low) or better, and units of Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

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

Financial Risk Management Discussion (continued)
as at December 31

The Fund may maintain short positions on Canadian and international Common Stock or Common Stock Equivalents with a market value of up to 35% of the net asset value of the Fund.

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Canadian Equity Fund)

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

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

Currency Risk

The Fund is not exposed to significant currency risk since the Fund's assets and liabilities are denominated in Canadian dollars. The Fund has indirect exposure to currency risk through its investment in the investment fund investment ("the Investment Fund"), whose underlying investments are susceptible to currency risk. Such indirect exposure is managed by the external manager in conjunction with their investment level decisions.

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 29,691	5.8 %	\$ 162,116	5.6 %
Consumer Staple	20,749	4.0 %	121,221	4.2 %
Energy	100,841	19.5 %	512,385	17.7 %
Financial Services	193,822	37.6 %	1,110,701	38.1 %
Health Care	2,686	0.5 %	10,168	0.4 %
Industrial Products	47,266	9.2 %	284,536	9.8 %
Information Technology	15,721	3.0 %	152,741	5.3 %
Materials and Processing	56,040	10.9 %	403,721	13.9 %
Telecommunication Services	26,962	5.2 %	75,955	2.6 %
Utilities	22,333	4.3 %	68,439	2.4 %
Total Equities	<u>\$ 516,111</u>	<u>100.0 %</u>	<u>\$ 2,901,983</u>	<u>100.0 %</u>

Financial Risk Management Discussion (continued)
as at December 31

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$51,357,000 (2016 - \$289,725,000) or 1.6% (2016 - 9.9%) of net assets attributable to redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

The Fund is also subject to other price risk through its investment in the Investment Fund. The external manager utilizes risk parity and asset diversification to moderate this risk. The expected impact on the net assets of the Fund of a 10% increase/decrease in the value of the investment fund over the next year, would be an increase/decrease, respectively of \$ 270,289,000 (2016 - \$nil) or 8.4 % (2016 - nil) of net assets attributable to redeemable units.

Equity by Geographic Region

All of the Fund's equity investments are exposed to the Canadian market. The Fund has indirect exposure to other regions through the underlying investments of the Investment Fund.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Canadian Equity Fund)

Financial Risk Management Discussion (continued)
as at December 31

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 516,111	\$ -	\$ 516,111
Investment Fund Investment	-	2,702,891	2,702,891
Money Market Funds	5,054	-	5,054
Total Investments	\$ 521,165	\$ 2,702,891	\$ 3,224,056

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

Financial Risk Management Discussion (continued)
as at December 31

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Canadian Equity Fund)

Involvement with Structured Entities
as at December 31

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 923,691	\$ 5,054
Investee fund administered by external manager	1	2,702,891	2,702,891

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 BCI	1	\$ 557,706	\$ 6,877

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 1,642	\$ 6,984
Receivable from sale of investments		1,733	227
Dividends receivable		18,432	25,188
Interest receivable		-	-
Security lending revenue receivable		395	343
Derivative assets:			
Futures		2,209	-
Swaps		18,258	-
Investments		<u>7,737,884</u>	<u>9,804,167</u>
		<u>7,780,553</u>	<u>9,836,909</u>
Liabilities			
Payable for purchase of investments		1,451	7,342
BCI cost recoveries payable	4	2,912	759
Accounts payable		18	20
Derivative liabilities:			
Futures		-	720
Swaps		<u>2,898</u>	<u>-</u>
		<u>7,279</u>	<u>8,841</u>
Net assets attributable to holders of redeemable units		<u>\$ 7,773,274</u>	<u>\$ 9,828,068</u>
<i>Number of redeemable units outstanding</i>	5	<i>939.641</i>	<i>1,296.645</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 8,273</u>	<u>\$ 7,580</u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 4,614	\$ 1,290
Dividend income		235,241	249,316
Securities lending income		4,339	2,418
Futures income		3,635	14,564
Foreign exchange loss		(20)	-
Change in fair value of investments and derivatives:	6		
Net realized gain		970,197	5,213
Net change in unrealized appreciation (depreciation)		<u>(428,337)</u>	<u>1,346,779</u>
Total revenue		<u>789,669</u>	<u>1,619,580</u>
Expenses:			
BCI cost recoveries	4	8,556	7,165
Administrative fees		44	122
Commissions and stock exchange fees		<u>1,433</u>	<u>1,312</u>
Total operating expenses		<u>10,033</u>	<u>8,599</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>779,636</u>	<u>1,610,981</u>
Distributions to holders of redeemable units:			
From net investment income		(248,188)	(255,168)
From net realized gains on investments and derivatives		<u>(959,785)</u>	<u>(12,477)</u>
		<u>(1,207,973)</u>	<u>(267,645)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (428,337)</u>	<u>\$ 1,343,336</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 9,828,068	\$ 6,725,789
Increase (decrease) in net assets attributable to holders of redeemable units	(428,337)	1,343,336
Redeemable unit transactions:		
Proceeds from units issued	700,825	2,216,048
Reinvestment of distributions	1,207,973	267,645
Amounts paid for units redeemed	(3,535,255)	(724,750)
Net increase (decrease) from redeemable unit transactions	(1,626,457)	1,758,943
Balance, end of year	\$ 7,773,274	\$ 9,828,068

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (428,337)	\$ 1,343,336
Adjustments for:		
Foreign exchange loss	20	-
Interest income	(4,614)	(1,290)
Dividend income	(235,241)	(249,316)
Net realized gain from investments and derivatives	(970,197)	(5,213)
Net change in unrealized (appreciation) depreciation from investments and derivatives	428,337	(1,346,779)
Amortization of premiums and discounts	(13)	(47)
Non cash distributions	1,207,973	267,645
Proceeds from sale of investments	6,088,934	1,175,661
Amounts paid for purchase of investments	(3,496,138)	(2,913,125)
Receivable from sale of investments	(1,506)	(227)
Net receivable for variation on futures	(2,209)	-
Net payable for variation on futures	(720)	(162)
Security lending revenue receivable	(52)	(142)
Payable for purchase of investments	(5,891)	(30)
BCI cost recoveries payable	2,153	292
Accounts payable	(2)	(9)
Interest received	4,614	1,327
Dividends received	241,997	243,196
	<u>2,829,108</u>	<u>(1,484,883)</u>
Financing activities:		
Proceeds from issue of redeemable units	700,825	2,216,048
Payments on redemption of redeemable units	(3,535,255)	(724,750)
	<u>(2,834,430)</u>	<u>1,491,298</u>
Net increase (decrease) in cash	(5,322)	6,415
Effect of exchange rate changes on cash	(20)	-
Cash, beginning of year	6,984	569
Cash, end of year	\$ 1,642	\$ 6,984

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 7,179,694	\$ 5,654,664	\$ 9,732,149	\$ 7,762,829
Money Market Investments:				
Federal Government	-	-	5,991	5,991
Units in BCI Pooled Investment Portfolio				
Fund ST1	13,008	13,008	66,027	66,026
CDOR Floating Rate Fund	545,182	544,588	-	-
	558,190	557,596	72,018	72,017
Total Investments	\$ 7,737,884	\$ 6,212,260	\$ 9,804,167	\$ 7,834,846

Schedule of Swaps

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Description	Notional	Value	Unrealized Gain (Loss)
2017	1	Mar 2018	Index Swap	\$	107,988	\$ 821
2017	1	Feb 2018	Index Swap	\$	269,554	\$ 3,951
2017	1	Oct 2018	Index Swap	\$	500,000	\$ 13,319
2017	1	Oct 2018	Basket Swap	\$	4,412	\$ 167
						18,258
2017	1	Mar 2018	Index Swap	\$	107,988	\$ (862)
2017	1	Feb 2018	Index Swap	\$	271,744	\$ (2,036)
						\$ (2,898)
						\$ 15,360

Schedule of Futures Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Notional Value	Net Receivable (Payable)
2017	225	Mar 2018	\$ 43,083	\$ 2,209

Date	Number of Contracts	Expiry Date	Notional Value	Net Receivable (Payable)
2016	400	Mar 2017	\$ 71,752	\$ (720)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

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

DERIVATIVE LIABILITIES (in 000s)	2017			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (382,765)	\$ (382,765)	\$ -	\$ (382,765)
Inflows	379,867	379,867	-	379,867
	<u>\$ (2,898)</u>	<u>\$ (2,898)</u>	<u>\$ -</u>	<u>\$ (2,898)</u>

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

Interest Rate Risk

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

Currency Risk

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 379,224	5.3 %	\$ 491,534	5.0 %
Consumer Staple	255,831	3.6 %	371,694	3.8 %
Energy	1,417,042	19.7 %	2,087,881	21.5 %
Financial Services	2,679,026	37.3 %	3,694,680	38.0 %
Health Care	72,361	1.0 %	56,679	0.6 %
Industrial Products	691,315	9.6 %	861,345	8.9 %
Information Technology	234,327	3.3 %	274,496	2.8 %
Materials and Processing	841,801	11.7 %	1,152,739	11.8 %
Telecommunication Services	324,743	4.5 %	466,245	4.8 %
Utilities	284,024	4.0 %	274,856	2.8 %
Total Equities	<u>\$ 7,179,694</u>	<u>100.0 %</u>	<u>\$ 9,732,149</u>	<u>100.0 %</u>

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

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$716,262,000 (2016 - \$774,528,000) or 9.2% (2016 - 7.9%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

December 31, 2017				
(in 000s)	Level 1	Level 2		Total
	(Quoted Price in	(Significant		
	Active Market)	Observable Inputs)		
Public Equities	\$ 7,179,694	\$ -	\$	7,179,694
Floating Rate Funds	545,182	-		545,182
Money Market Funds	13,008	-		13,008
Total Investments	\$ 7,737,884	\$ -	\$	7,737,884
Futures Contracts, Net	2,209	-		2,209
Swaps	-	15,360		15,360
Total	\$ 7,740,093	\$ 15,360	\$	7,755,453

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

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 3,911,102	\$ 558,190

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	1	\$ 557,706	\$ 66,027

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 5,589	\$ 21,818
Receivable from sale of investments		4,144	1,943
Receivable from issue of units		60	-
Dividends receivable		564	1,001
Security lending revenue receivable		88	49
Investments		1,099,432	1,551,794
		<u>1,109,877</u>	<u>1,576,605</u>
Liabilities			
Payable for purchase of investments		208	2,097
External management fees payable		1,642	2,858
BCI cost recoveries payable	4	3,768	113
Other accounts payable		12	3
		<u>5,630</u>	<u>5,071</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,104,247</u>	<u>\$ 1,571,534</u>
<i>Number of redeemable units outstanding</i>	5	325.454	495.937
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,393</u>	<u>\$ 3,169</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 437	\$ 82
Dividend income		15,094	11,962
Securities lending income		1,052	862
Foreign exchange loss		(1,118)	(694)
Change in fair value of investments:	6		
Net realized gain		223,795	90,136
Net change in unrealized appreciation (depreciation)		(123,263)	139,845
Total revenue		<u>115,997</u>	<u>242,193</u>
Expenses:			
BCI cost recoveries	4	4,789	1,111
External management fees		11,079	9,181
Administrative fees		52	52
Commissions and stock exchange fees		1,336	1,068
Withholding taxes	7	30	9
Total operating expenses		<u>17,286</u>	<u>11,421</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>98,711</u>	<u>230,772</u>
Distributions to holders of redeemable units:			
From net investment income		(3,643)	(1,832)
From net realized gains on investments		(218,524)	(88,996)
		<u>(222,167)</u>	<u>(90,828)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ (123,456)</u>	<u>\$ 139,944</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 1,571,534	\$ 1,181,066
Increase (decrease) in net assets attributable to holders of redeemable units	(123,456)	139,944
Redeemable unit transactions:		
Proceeds from units issued	544	159,696
Reinvestment of distributions	222,167	90,828
Amounts paid for units redeemed	(566,542)	-
Net increase (decrease) from redeemable unit transactions	(343,831)	250,524
Balance, end of year	\$ 1,104,247	\$ 1,571,534

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (123,456)	\$ 139,944
Adjustments for:		
Foreign exchange loss	1,118	694
Interest income	(437)	(82)
Dividend income	(15,094)	(11,962)
Withholding taxes	30	9
Net realized gain from investments	(223,795)	(90,136)
Net change in unrealized (appreciation) depreciation from investments	123,263	(139,845)
Amortization of premiums and discounts	(218)	(68)
Non cash distributions	222,167	90,828
Proceeds from sale of investments	2,275,114	623,026
Amounts paid for purchase of investments	(1,722,002)	(780,279)
Receivable from sale of investments	(2,201)	(967)
Receivable from issue of units	(60)	-
Security lending revenue receivable	(39)	60
Payable for purchase of investments	(1,889)	1,108
External management fees payable	(1,216)	710
BCI cost recoveries payable	3,655	50
Other accounts payable	9	(23)
Interest received	437	82
Dividends received	15,531	11,929
Withholding taxes paid	(30)	(9)
	<u>550,887</u>	<u>(154,931)</u>
Financing activities:		
Proceeds from issue of redeemable units	544	159,696
Payments on redemption of redeemable units	(566,542)	-
	<u>(565,998)</u>	<u>159,696</u>
Net increase (decrease) in cash	(15,111)	4,765
Effect of exchange rate changes on cash	(1,118)	(694)
Cash, beginning of year	21,818	17,747
Cash, end of year	\$ 5,589	\$ 21,818

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,073,066	\$ 837,455	\$ 1,524,538	\$ 1,166,289
Money Market Investments:				
Corporate	24,850	25,205	26,565	26,268
Units in BCI Pooled Investment Portfolio				
Fund ST1	-	-	691	691
Fund ST3	1,516	1,489	-	-
	<u>26,366</u>	<u>26,694</u>	<u>27,256</u>	<u>26,959</u>
Total Investments	<u>\$ 1,099,432</u>	<u>\$ 864,149</u>	<u>\$ 1,551,794</u>	<u>\$ 1,193,248</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

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

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

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

Currency Risk

The Fund holds assets denominated in U.S. currency totalling \$1,109,609,000 CAD which represents 100.5% of the net asset value of the Fund (2016 - \$1,573,817,000 CAD which represented 100.1% of the net asset value of the Fund). As at December 31, 2017, if the Canadian dollar had strengthened/ weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$11,096,000 CAD (2016 - \$15,738,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 216,301	20.2 %	\$ 269,980	17.7 %
Consumer Staple	6,821	0.6 %	13,954	0.9 %
Energy	15,150	1.4 %	42,326	2.8 %
Financial Services	244,056	22.8 %	364,533	23.8 %
Health Care	166,620	15.5 %	188,919	12.4 %
Industrial Products	190,838	17.8 %	252,476	16.6 %
Information Technology	207,082	19.3 %	297,221	19.5 %
Materials and Processing	10,662	1.0 %	52,057	3.4 %
Telecommunication Services	13,238	1.2 %	11,580	0.8 %
Utilities	2,298	0.2 %	31,492	2.1 %
Total Equities	<u>\$ 1,073,066</u>	<u>100.0 %</u>	<u>\$ 1,524,538</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$100,305,000 (2016 - \$149,559,000) or 9.1% (2016 – 9.5%) of net assets attributable to redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,073,066	\$ -	\$ 1,073,066
Money Market Investments	-	24,850	24,850
Money Market Funds	1,516	-	1,516
Total Investments	<u>\$ 1,074,582</u>	<u>\$ 24,850</u>	<u>\$ 1,099,432</u>

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	1	\$ 209,838	\$ 1,516

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	1	\$ 557,706	\$ 691

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 8,802	\$ 6,754
Dividends receivable		7,098	11,415
Security lending revenue receivable		54	82
Withholding taxes receivable		-	-
Derivative assets:			
Futures		706	-
Swaps		727	-
Investments		7,023,588	9,138,599
		<u>7,040,975</u>	<u>9,156,850</u>
Liabilities			
Payable for purchase of investments		2,521	-
BCI cost recoveries payable	4	8,257	638
Other accounts payable		21	4,483
Derivative liabilities:			
Futures		-	42
		<u>10,799</u>	<u>5,163</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 7,030,176</u></u>	<u><u>\$ 9,151,687</u></u>
<i>Number of redeemable units outstanding</i>	5	649.744	963.436
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 10,820</u></u>	<u><u>\$ 9,499</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income (loss)		\$ 835	\$ (324)
Dividend income		181,279	188,528
Securities lending income		829	996
Futures income		2,546	1,193
Foreign exchange gain (loss)		1,979	(38,788)
Change in fair value of investments and derivatives:	6		
Net realized gain		1,227,034	673,215
Net change in unrealized depreciation		<u>(346,504)</u>	<u>(238,024)</u>
Total revenue		<u>1,067,998</u>	<u>586,796</u>
Expenses:			
BCI cost recoveries	4	12,907	5,981
Administrative fees		61	146
Commissions and stock exchange fees		790	1,152
Withholding taxes	7	1	(122)
Total operating expenses		<u>13,759</u>	<u>7,157</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,054,239</u>	<u>579,639</u>
Distributions to holders of redeemable units:			
From net investment income		(186,538)	(141,160)
From net realized gains on investments and derivatives		<u>(1,224,924)</u>	<u>(689,500)</u>
		<u>(1,411,462)</u>	<u>(830,660)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (357,223)</u></u>	<u><u>\$ (251,021)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 9,151,687	\$ 8,818,122
Decrease in net assets attributable to holders of redeemable units	(357,223)	(251,021)
Redeemable unit transactions:		
Proceeds from units issued	991,798	1,911,117
Reinvestment of distributions	1,411,462	830,660
Amounts paid for units redeemed	(4,167,548)	(2,157,191)
Net increase (decrease) from redeemable unit transactions	(1,764,288)	584,586
Balance, end of year	\$ 7,030,176	\$ 9,151,687

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (357,223)	\$ (251,021)
Adjustments for:		
Foreign exchange loss (gain)	(1,979)	38,788
Interest income	(835)	324
Dividend income	(181,279)	(188,528)
Withholding taxes	1	(122)
Net realized gain from investments and derivatives	(1,227,034)	(673,215)
Net change in unrealized depreciation from investments and derivatives	346,504	238,024
Amortization of premiums and discounts	(2)	(3)
Non cash distributions	1,411,462	830,660
Proceeds from sale of investments	5,567,812	3,239,325
Amounts paid for purchase of investments	(2,572,996)	(3,138,234)
Receivable from sale of investments	-	40,869
Receivable from issue of units	-	3,578,133
Net receivable/payable for variation on futures	(748)	(78)
Security lending revenue receivable	28	(39)
Payable for purchase of investments	2,521	(3,623,091)
BCI cost recoveries payable	7,619	388
Other accounts payable	(4,462)	4,462
Interest received	835	(324)
Dividends received	185,596	184,067
Withholding taxes paid	(1)	272
	<u>3,175,819</u>	<u>280,657</u>
Financing activities:		
Proceeds from issue of redeemable units	991,798	1,911,117
Payments on redemption of redeemable units	(4,167,548)	(2,157,191)
	<u>(3,175,750)</u>	<u>(246,074)</u>
Net increase in cash	69	34,583
Effect of exchange rate changes on cash	1,979	(38,788)
Cash, beginning of year	6,754	10,959
Cash, end of year	\$ 8,802	\$ 6,754

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

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

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 6,969,516	\$ 5,039,050	\$ 9,137,168	\$ 6,862,932
Money Market Investments:				
U.S.T-Bills	-	-	670	668
Units in BCI Pooled Investment Portfolio				
Fund ST1	1,225	1,226	761	761
LIBOR Floating Rate Fund	52,847	56,305	-	-
	<u>54,072</u>	<u>57,531</u>	<u>1,431</u>	<u>1,429</u>
Total Investments	<u>\$ 7,023,588</u>	<u>\$ 5,096,581</u>	<u>\$ 9,138,599</u>	<u>\$ 6,864,361</u>

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

Date	Number of Contracts	Expiry Date	Description	Notional	Value	Unrealized Gain (Loss)
2017	1	May 2018	Equity Swap	\$	56,637	\$ 727

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

Date	Number of Contracts	Expiry Date	Notional Value	Net Receivable (Payable)
2017	75	March 2018	\$ -	\$ 706
2016	70	March 2017	\$ 7,827	\$ (42)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- The fund must not borrow money or derivatives to create leverage.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's, or have an equivalent credit rating from another credit rating agency.

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

Interest Rate Risk

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

Currency Risk

The Fund holds net assets, including foreign currency contracts, denominated in U.S. currency totalling \$7,037,235,000 CAD which represents 100.1% of the net asset value of the Fund (2016 - \$9,151,547,000 CAD which represented 100.0% of the net asset value of the Fund). As at December 31, 2017, if the Canadian dollar had strengthened/weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$70,372,000 CAD (2016 - \$91,516,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 890,602	12.8 %	\$ 1,153,204	12.6 %
Consumer Staple	559,835	8.0 %	839,240	9.2 %
Energy	423,784	6.1 %	676,047	7.4 %
Financial Services	1,239,274	17.8 %	1,611,762	17.7 %
Health Care	942,765	13.5 %	1,244,298	13.6 %
Industrial Products	706,515	10.1 %	889,326	9.7 %
Information Technology	1,642,445	23.6 %	1,916,715	21.0 %
Materials and Processing	215,840	3.1 %	268,710	2.9 %
Telecommunication Services	148,302	2.1 %	249,617	2.7 %
Utilities	200,154	2.9 %	288,249	3.2 %
Total Equities	<u>\$ 6,969,516</u>	<u>100.0 %</u>	<u>\$ 9,137,168</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$697,193,000 (2016 - \$914,578,000) or 9.9% (2016 - 10.0%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

December 31, 2017			
(in 000s)	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 6,969,516	\$ -	\$ 6,969,516
Money Market Funds	1,225	-	1,225
Floating Rate Funds	52,847	-	52,847
Total Investments	\$ 7,023,588	\$ -	\$ 7,023,588
Swaps	-	727	727
Futures Contracts, Net	-	706	706
Total	\$ 7,023,588	\$ 1,433	\$ 7,025,021

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

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 1,741,865	\$ 54,072

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	1	\$ 557,706	\$ 761

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Statement of Financial Position			
(all amounts in thousands except number of units)			
	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 15,105	\$ 88,764
Receivable from sale of investments		-	1,174
Dividends receivable		2,987	8,791
Security lending revenue receivable		51	92
Withholding taxes receivable		-	89
		-	-
Investments		<u>2,646,109</u>	<u>4,300,891</u>
		<u>2,664,252</u>	<u>4,399,801</u>
Liabilities			
Payable for purchase of investments		16	20,741
External management fees payable		3,221	7,162
BCI cost recoveries payable	4	11,322	314
Other accounts payable		288	110
Derivative liabilities:			
Foreign currency contracts		-	14
		<u>14,847</u>	<u>28,341</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,649,405</u></u>	<u><u>\$ 4,371,460</u></u>
<i>Number of redeemable units outstanding</i>	5	679,763	1,469,135
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,898</u></u>	<u><u>\$ 2,976</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)			
(all amounts in thousands)			
	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 297	\$ 44
Dividend income		87,459	107,672
Securities lending income		649	615
Foreign exchange loss		(5,418)	(1,953)
Change in fair value of investments and derivatives:	6		
Net realized gain		1,039,609	165,213
Net change in unrealized appreciation (depreciation)		<u>34,528</u>	<u>(92,547)</u>
Total revenue		<u>1,157,124</u>	<u>179,044</u>
Expenses:			
BCI cost recoveries	4	13,349	2,984
External management fees		19,100	20,531
Administrative fees		852	1,745
Commissions and stock exchange fees		8,103	4,348
Withholding taxes	7	<u>6,795</u>	<u>7,485</u>
Total operating expenses		<u>48,199</u>	<u>37,093</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,108,925</u>	<u>141,951</u>
Distributions to holders of redeemable units:			
From net investment income		(59,961)	(71,294)
From net realized gains on investments and derivatives		<u>(1,027,719)</u>	<u>(162,616)</u>
		<u>(1,087,680)</u>	<u>(233,910)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 21,245</u></u>	<u><u>\$ (91,959)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 4,371,460	\$ 4,224,690
Increase (decrease) in net assets attributable to holders of redeemable units	21,245	(91,959)
Redeemable unit transactions:		
Proceeds from units issued	223,265	44,367
Reinvestment of distributions	1,087,680	233,910
Amounts paid for units redeemed	(3,054,245)	(39,548)
Net increase (decrease) from redeemable unit transactions	(1,743,300)	238,729
Balance, end of year	\$ 2,649,405	\$ 4,371,460

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 21,245	\$ (91,959)
Adjustments for:		
Foreign exchange loss	5,418	1,953
Interest income	(297)	(44)
Dividend income	(87,459)	(107,672)
Withholding taxes	6,795	7,485
Net realized gain from investments and derivatives	(1,039,609)	(165,213)
Net change in unrealized (appreciation) depreciation from investments and derivatives	(34,528)	92,547
Non cash distributions	1,087,680	233,910
Proceeds from sale of investments	3,850,183	1,229,612
Amounts paid for purchase of investments	(1,121,278)	(1,312,181)
Receivable from sale of investments	1,174	1,826
Security lending revenue receivable	41	(69)
Payable for purchase of investments	(20,725)	20,051
External management fees payable	(3,941)	2,220
BCI cost recoveries payable	11,008	126
Other accounts payable	178	(350)
Interest received	297	44
Dividends received	93,263	105,369
Withholding taxes paid	(6,706)	(7,206)
	<u>2,762,739</u>	<u>10,449</u>
Financing activities:		
Proceeds from issue of redeemable units	223,265	44,367
Payments on redemption of redeemable units	(3,054,245)	(39,548)
	<u>(2,830,980)</u>	<u>4,819</u>
Net increase (decrease) in cash	(68,241)	15,268
Effect of exchange rate changes on cash	(5,418)	(1,953)
Cash, beginning of year	<u>88,764</u>	<u>75,449</u>
Cash, end of year	\$ 15,105	\$ 88,764

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,644,486	\$ 1,839,951	\$ 4,299,420	\$ 3,529,399
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST2	<u>1,623</u>	<u>1,623</u>	<u>1,471</u>	<u>1,471</u>
Total Investments	<u>\$ 2,646,109</u>	<u>\$ 1,841,574</u>	<u>\$ 4,300,891</u>	<u>\$ 3,530,870</u>

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	1	JAN 2018	INR	\$ (24)	USD	\$ 24	\$ -
				<u>\$ (24)</u>		<u>\$ 24</u>	<u>\$ -</u>
2016	2	Jan 2017	USD	\$ (264)	SGD	\$ 264	\$ -
2016	1	Jan 2017	USD	(1,587)	IDR	1,587	-
2016	1	Jan 2017	USD	(11)	PHP	11	-
				<u>(1,862)</u>		<u>1,862</u>	<u>-</u>
2016	1	Jan 2017	HKD	(4,024)	USD	4,023	(1)
2016	3	Jan 2017	USD	(4,244)	IDR	4,231	(13)
				<u>\$ (8,268)</u>		<u>\$ 8,254</u>	<u>\$ (14)</u>
				<u>\$ (10,130)</u>		<u>\$ 10,116</u>	<u>\$ (14)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

Financial Risk Management Discussion
as at December 31

The Active Asian Equity Fund (the "Fund") provides participating clients with exposure to a portfolio of actively managed Asia Pacific stocks. The Pool invests in both developing and mature Asian markets and seeks to earn a higher rate of return than the benchmark, the Morgan Stanley Capital International (MSCI) All Country Asia Pacific ex-Japan Net Index (the "Index") by 200 basis points per annum, net of all investment expenses, on a four year moving average..

The Fund is comprised of portfolios managed by a team of external investment managers (the "Managers") under contract to BCI. BCI selects the Managers on the basis of their approach, process, historical track record and the strength of their investment team. The Managers operate independently of each other and are given specific value added targets, consistent with their expected risk profile. In addition to the potential for higher returns, the Pool provides clients with: a diversity of active management investment styles; exposure to a variety of market outlooks; and exposure to the various segments of Asian equity markets (e.g., industry sectors, countries, and market capitalizations).

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

The Fund invests in the following securities:

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

Financial Risk Management Discussion (continued)
as at December 31

The following restrictions apply to the Fund:

- Not more than 10% of the market value of the Fund can be invested in the securities of a single company;
- Investments in Japanese securities are limited to 20% of the market value of the Fund;
- Investments in companies whose country is classified as a frontier market by MSCI are limited to 10% of the market value of the Fund;
- The Fund may not sell a security which it does not own (i.e. short sale), borrow securities, or purchase securities using a margin account.
- The Fund may not borrow money or use derivatives to create leverage.
- When entering into a new derivatives transaction, external counterparties must be financial institutions rated "A-" or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any counterparty is downgraded below the approved credit standard, BCI will have discretion with respect to the termination of any affected derivative transaction.

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Credit Risk

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

Liquidity Risk

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

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

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

Interest Rate Risk

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

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 319,310	\$ -	\$ 319,310	12.1 %
British Pound Sterling	36,483	-	36,483	1.4 %
Chinese Renminbi	64,181	-	64,181	2.4 %
Hong Kong Dollar	751,474	-	751,474	28.4 %
Indian Rupee	186,658	(24)	186,634	7.0 %
Indonesian Rupiah	74,874	-	74,874	2.8 %
Japanese Yen	122,260	-	122,260	4.6 %
Korean Won	337,154	-	337,154	12.7 %
Malaysian Ringgit	19,940	-	19,940	0.8 %
Philippine Peso	34,689	-	34,689	1.3 %
Singapore Dollar	136,166	-	136,166	5.1 %
Taiwan Dollar	167,632	-	167,632	6.3 %
Thai Baht	63,337	-	63,337	2.4 %
United States Dollar	348,425	24	348,449	13.2 %
Net Foreign Exchange Exposure	<u>\$ 2,662,583</u>	<u>\$ -</u>	<u>\$ 2,662,583</u>	<u>100.5 %</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

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

As at December 31, 2017, 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 \$26,626,000 (2016 - \$43,757,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 257,455	9.8 %	\$ 347,525	8.0 %
Consumer Staple	120,406	4.6 %	199,552	4.6 %
Energy	53,079	2.0 %	125,593	2.9 %
Financial Services	918,418	34.7 %	1,508,064	35.1 %
Health Care	133,285	5.0 %	196,158	4.6 %
Industrial Products	169,538	6.4 %	364,056	8.5 %
Information Technology	682,810	25.8 %	928,788	21.6 %
Materials and Processing	221,513	8.4 %	333,308	7.8 %
Telecommunication Services	68,854	2.6 %	219,950	5.1 %
Utilities	19,128	0.7 %	76,426	1.8 %
Total Equities	<u>\$ 2,644,486</u>	<u>100.0 %</u>	<u>\$ 4,299,420</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively by approximately \$253,415,000 (2016 - \$404,378,000) or 9.6% (2016 - 9.3%) of net assets attributable to holders of redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

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

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Australia	\$ 306,899	11.6 %	\$ 528,748	12.2 %
China	667,686	25.2 %	805,352	18.7 %
Hong Kong	358,966	13.6 %	643,363	15.0 %
India	256,460	9.7 %	454,340	10.6 %
Indonesia	74,874	2.8 %	149,649	3.5 %
Japan	122,015	4.6 %	291,698	6.8 %
Korea	334,952	12.7 %	444,540	10.3 %
Malaysia	19,940	0.8 %	33,902	0.8 %
Philippines	34,628	1.3 %	63,288	1.5 %
Singapore	135,880	5.1 %	259,095	6.0 %
Taiwan	220,197	8.3 %	398,929	9.3 %
Thailand	63,305	2.4 %	123,879	2.9 %
United Kingdom	36,483	1.4 %	87,166	2.0 %
United States	12,201	0.5 %	15,471	0.4 %
Total Equities	\$ 2,644,486	100.0 %	\$ 4,299,420	100.0 %

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 2,644,486	\$ -	\$ 2,644,486
Money Market Funds	1,623	-	1,623
Total Investments	\$ 2,646,109	\$ -	\$ 2,646,109

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

Involvement with Structured Entities
as at December 31

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 5,273,236	\$ 1,623

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 BCI	1	\$ 3,028,308	\$ 1,471

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 16,024	\$ 23,949
Dividends receivable		1,407	1,133
Security lending revenue receivable		67	75
Withholding taxes receivable		2,914	2,946
Investments		<u>2,006,596</u>	<u>2,738,082</u>
		<u>2,027,008</u>	<u>2,766,185</u>
Liabilities			
External management fees payable		3,039	2,552
BCI cost recoveries payable	4	5,496	183
Other accounts payable		<u>147</u>	<u>20</u>
		<u>8,682</u>	<u>2,755</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,018,326</u></u>	<u><u>\$ 2,763,430</u></u>
Number of redeemable units outstanding	5	821,347	1,350,781
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,457</u></u>	<u><u>\$ 2,046</u></u>

Statement of Comprehensive Income / (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 185	\$ 29
Dividend income		86,337	112,095
Securities lending income		1,576	1,975
Foreign exchange loss		(451)	(3,111)
Change in fair value of investments:	6		
Net realized gain		635,138	161,822
Net change in unrealized depreciation		<u>(130,533)</u>	<u>(358,071)</u>
Total revenue (loss)		<u>592,252</u>	<u>(85,261)</u>
Expenses:			
BCI cost recoveries	4	7,091	2,211
External management fees		12,483	11,618
Administrative fees		301	430
Commissions and stock exchange fees		2,746	2,243
Withholding taxes	7	<u>8,944</u>	<u>15,413</u>
Total operating expenses		<u>31,565</u>	<u>31,915</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>560,687</u>	<u>(117,176)</u>
Distributions to holders of redeemable units:			
From net investment income		(64,321)	(82,451)
From net realized gains on investments			
		<u>(141,846)</u>	<u>-</u>
		<u>(206,167)</u>	<u>(82,451)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 354,520</u></u>	<u><u>\$ (199,627)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 2,763,430	\$ 3,506,409
Increase (decrease) in net assets attributable to holders of redeemable units	354,520	(199,627)
Redeemable unit transactions:		
Proceeds from units issued	264,070	9,812
Reinvestment of distributions	206,167	82,451
Amounts paid for units redeemed	(1,569,861)	(635,615)
Net decrease from redeemable unit transactions	(1,099,624)	(543,352)
Balance, end of year	\$ 2,018,326	\$ 2,763,430

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 354,520	\$ (199,627)
Adjustments for:		
Foreign exchange loss	451	3,111
Interest income	(185)	(29)
Dividend income	(86,337)	(112,095)
Withholding taxes	8,944	15,413
Net realized gain from investments	(635,138)	(161,822)
Net change in unrealized depreciation from investments	130,533	358,071
Non cash distributions	206,167	82,451
Proceeds from sale of investments	3,337,698	1,534,901
Amounts paid for purchase of investments	(2,101,607)	(1,002,637)
Receivable from sale of investments	-	3,859
Security lending revenue receivable	8	67
External management fees payable	487	(548)
BCI cost recoveries payable	5,313	30
Other accounts payable	127	(126)
Interest received	185	29
Dividends received	86,063	113,251
Withholding taxes paid	(8,912)	(14,146)
	<u>1,298,317</u>	<u>620,153</u>
Financing activities:		
Proceeds from issue of redeemable units	264,070	9,812
Payments on redemption of redeemable units	(1,569,861)	(635,615)
	<u>(1,305,791)</u>	<u>(625,803)</u>
Net decrease in cash	(7,474)	(5,650)
Effect of exchange rate changes on cash	(451)	(3,111)
Cash, beginning of year	23,949	32,710
Cash, end of year	\$ 16,024	\$ 23,949

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,006,023	\$ 1,629,533	\$ 2,736,637	\$ 2,229,614
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST2	573	572	1,445	1,444
Total Investments	\$ 2,006,596	\$ 1,630,105	\$ 2,738,082	\$ 2,231,058

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	1	Jan 18	EUR	\$ 33	CAD	\$ 33	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

Financial Risk Management Discussion
as at December 31

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

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

- Investments in European emerging markets and investments in the securities of a single company are both limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Financial Risk Management Discussion (continued)
as at December 31

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

Interest Rate Risk

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

Currency Risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	317,474	-	317,474	15.7 %
Danish Krone	18,681	-	18,681	0.9 %
Euro	1,089,305	(33)	1,089,272	54.0 %
Hungarian Forint	4,881	-	4,881	0.2 %
Norwegian Krone	50,543	-	50,543	2.5 %
Polish Zloty	8,506	-	8,506	0.4 %
Swedish Krona	158,734	-	158,734	7.9 %
Swiss Franc	181,434	-	181,434	9.0 %
Turkish Lira	89,253	-	89,253	4.4 %
United States Dollar	98,939	-	98,939	4.9 %
Net Foreign Exchange Exposure	\$ 2,017,750	\$ (33)	\$ 2,017,717	100.0 %

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

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

As at December 31, 2017, 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 \$20,177,500 (2016 - \$27,431,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 168,764	8.4 %	\$ 360,297	13.2 %
Consumer Staple	129,457	6.5 %	214,624	7.8 %
Energy	249,288	12.4 %	267,253	9.8 %
Financial Services	468,083	23.3 %	533,456	19.5 %
Health Care	171,392	8.5 %	486,600	17.8 %
Industrial Products	358,435	17.9 %	353,650	12.9 %
Information Technology	187,796	9.4 %	268,100	9.8 %
Materials and Processing	190,672	9.5 %	170,840	6.2 %
Real Estate	45,930	2.3 %	-	- %
Telecommunication Services	20,363	1.0 %	59,662	2.2 %
Utilities	15,843	0.8 %	22,155	0.8 %
Total Equities	<u>\$ 2,006,023</u>	<u>100.0 %</u>	<u>\$ 2,736,637</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$195,949,000 (2016 - \$276,014,000) or 9.7% (2016 - 10.0%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Austria	14,480	0.7 %	5,968	0.2 %
Belgium	21,920	1.1 %	21,251	0.8 %
Denmark	18,191	0.9 %	56,033	2.0 %
Finland	95,528	4.8 %	94,093	3.4 %
France	217,182	10.8 %	521,633	19.1 %
Germany	326,889	16.3 %	478,923	17.5 %
Greece	1,916	0.1 %	798	- %
Ireland	13,146	0.7 %	9,058	0.3 %
Italy	74,215	3.7 %	95,426	3.6 %
Netherlands	170,284	8.5 %	141,587	5.2 %
Norway	50,543	2.5 %	89,753	3.3 %
Portugal	3,933	0.2 %	24,288	0.9 %
Russia	37,877	1.9 %	31,614	1.2 %
Spain	90,094	4.5 %	72,650	2.7 %
Sweden	158,734	7.9 %	107,219	3.9 %
Switzerland	180,628	9.0 %	309,675	11.3 %
United Kingdom	427,823	21.4 %	642,523	23.4 %
Hungary	4,881	0.2 %	-	- %
Turkey	89,253	4.4 %	31,451	1.1 %
Poland	8,506	0.4 %	2,694	0.1 %
Total Equities	<u>\$ 2,006,023</u>	<u>100.0 %</u>	<u>\$ 2,736,637</u>	<u>100.0 %</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Public Equities	\$ 2,006,023	\$ -	\$ 2,006,023
Money Market Funds	573	-	573
Total Investments	\$ 2,006,596	\$ -	\$ 2,006,596

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	2	\$ 5,483,074	\$ 573

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 BCI	1	\$ 3,028,308	\$ 1,445

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 88,542	\$ 91,819
Receivable from sale of investments		9,461	3,615
Dividends receivable		1,924	2,986
Security lending revenue receivable		54	27
Withholding taxes receivable		1,256	1,168
Derivative assets:			
Foreign currency contracts		3	-
Investments		<u>3,174,214</u>	<u>3,323,972</u>
		<u>3,275,454</u>	<u>3,423,587</u>
Liabilities			
Payable for purchase of investments		24,256	-
External management fees payable		4,046	5,313
BCI cost recoveries payable	4	6,676	237
Other accounts payable		81	18
Derivative liabilities:			
Foreign currency contracts		<u>19</u>	<u>-</u>
		<u>35,078</u>	<u>5,568</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,240,376</u>	<u>\$ 3,418,019</u>
<i>Number of redeemable units outstanding</i>	5	1,321,096	1,635,616
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,453</u>	<u>\$ 2,090</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 500	\$ 8
Dividend income		55,087	82,422
Securities lending income		650	655
Foreign exchange loss		(1,607)	(690)
Change in fair value of investments and derivatives:	6		
Net realized gain		271,688	109,186
Net change in unrealized appreciation (depreciation)		<u>190,506</u>	<u>(237,209)</u>
Total revenue (loss)		<u>516,824</u>	<u>(45,628)</u>
Expenses:			
BCI cost recoveries	4	8,282	2,419
External management fees		14,510	15,051
Administrative fees		201	470
Commissions and stock exchange fees		3,339	4,292
Withholding taxes	7	<u>3,445</u>	<u>4,371</u>
Total operating expenses		<u>29,777</u>	<u>26,603</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>487,047</u>	<u>(72,231)</u>
Distributions to holders of redeemable units:			
From net investment income		(34,811)	(59,739)
From net realized gains on investments and derivatives		<u>(264,837)</u>	<u>(108,110)</u>
		<u>(299,648)</u>	<u>(167,849)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 187,399</u>	<u>\$ (240,080)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 3,418,019	\$ 3,486,958
Increase (decrease) in net assets attributable to holders of redeemable units	187,399	(240,080)
Redeemable unit transactions:		
Proceeds from units issued	54,580	3,292
Reinvestment of distributions	299,648	167,849
Amounts paid for units redeemed	(719,270)	-
Net increase (decrease) from redeemable unit transactions	(365,042)	171,141
Balance, end of year	\$ 3,240,376	\$ 3,418,019

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 187,399	\$ (240,080)
Adjustments for:		
Foreign exchange loss (gain)	1,607	690
Interest income	(500)	(8)
Dividend income	(55,087)	(82,422)
Withholding taxes	3,445	4,371
Net realized gain from investments and derivatives	(271,688)	(109,186)
Net change in unrealized (appreciation) depreciation from investments and derivatives	(190,506)	237,209
Non cash distributions	299,648	167,849
Proceeds from sale of investments	2,445,470	1,767,542
Amounts paid for purchase of investments	(1,833,502)	(1,837,606)
Receivable from sale of investments	(5,846)	(3,615)
Security lending revenue receivable	(27)	-
Payable for purchase of investments	24,256	(2,016)
External management fees payable	(1,267)	1,313
BCI cost recoveries payable	6,439	88
Other accounts payable	63	(119)
Interest received	500	8
Dividends received	56,149	82,053
Withholding taxes paid	(3,533)	(5,083)
	<u>663,020</u>	<u>(19,012)</u>
Financing activities:		
Proceeds from issue of redeemable units	54,580	3,292
Payments on redemption of redeemable units	(719,270)	-
	<u>(664,690)</u>	<u>3,292</u>
Net decrease in cash	(1,670)	(15,720)
Effect of exchange rate changes on cash	(1,607)	(690)
Cash, beginning of year	<u>91,819</u>	<u>108,229</u>
Cash, end of year	\$ 88,542	\$ 91,819

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,170,931	\$ 2,269,509	\$ 3,322,565	\$ 2,611,835
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST2	1,002	1,002	1,407	1,407
Fund ST3	2,281	2,451	-	-
	<u>3,283</u>	<u>3,453</u>	<u>1,407</u>	<u>1,407</u>
Total Investments	<u>\$ 3,174,214</u>	<u>\$ 2,272,962</u>	<u>\$ 3,323,972</u>	<u>\$ 2,613,242</u>

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	2	Jan 2018	USD	\$ (1,196)	CAD	\$ 1,199	\$ 3
2017	1	Jan 2018	EUR	\$ (3,533)	USD	\$ 3,518	\$ (15)
2017	1	Jan 2018	USD	(2,626)	JPY	2,625	(1)
2017	1	Jan 2018	USD	(796)	CHF	795	(1)
2017	1	Jan 2018	USD	(3,371)	EUR	3,369	(2)
				<u>\$(10,326)</u>		<u>\$ 10,307</u>	<u>\$ (19)</u>
				<u>(11,522)</u>		<u>11,506</u>	<u>(16)</u>
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	USD	\$ (70)	CAD	\$ 70	\$ -
2016	1	Jan 2017	JPY	(187)	USD	187	-
				<u>\$ (257)</u>		<u>\$ 257</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion
as at December 31

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

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

- Investments in the securities of a single company and investments in securities of emerging markets are each limited to 10% of the market value of the Fund.
- At inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.
- If any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Financial Risk Management Discussion (continued)
as at December 31

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

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

DERIVATIVE LIABILITIES (in 000s)	2017		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (10,323)	\$ (10,326)	\$ (10,326)
Inflows	10,323	10,307	10,307
	\$ -	\$ (19)	\$ (19)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

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

Currency Risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 25,604	\$ -	\$ 25,604	0.8 %
British Pound Sterling	110,499	-	110,499	3.4 %
Danish Krone	57,696	-	57,696	1.8 %
Euro	361,213	(164)	361,049	11.1 %
Hong Kong Dollar	178,684	-	178,684	5.5 %
Indian Rupee	70,033	-	70,033	2.2 %
Japanese Yen	319,366	2,625	321,991	9.9 %
Korean Won	17,317	-	17,317	0.5 %
Swedish Krona	29,892	-	29,892	0.9 %
Swiss Franc	128,918	795	129,713	4.0 %
Taiwan Dollar	20,545	-	20,545	0.6 %
United States Dollar	1,856,136	(4,471)	1,851,665	57.1 %
Net Foreign Exchange Exposure	\$ 3,175,903	\$ (1,215)	\$ 3,174,688	97.9 %

Financial Risk Management Discussion (continued)
as at December 31

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 74,346	\$ -	\$ 74,346	2.2 %
British Pound Sterling	167,148	-	167,148	4.9 %
Danish Krone	31,855	-	31,855	0.9 %
Euro	447,655	-	447,655	13.1 %
Hong Kong Dollar	165,686	-	165,686	4.8 %
Indian Rupee	61,063	-	61,063	1.8 %
Israeli Shekel	4,165	-	4,165	0.1 %
Japanese Yen	220,281	(187)	220,094	6.4 %
Korean Won	36,982	-	36,982	1.1 %
Malaysian Ringgit	21,633	-	21,633	0.6 %
Norwegian Krone	7,428	-	7,428	0.2 %
Singapore Dollar	30,720	-	30,720	0.9 %
Swedish Krona	33,400	-	33,400	1.0 %
Swiss Franc	200,626	-	200,626	5.9 %
Taiwan Dollar	28,158	-	28,158	0.8 %
United States Dollar	1,807,553	117	1,807,670	52.9 %
Net Foreign Exchange Exposure	\$ 3,338,699	\$ (70)	\$ 3,338,629	97.6 %

As at December 31, 2017, 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 \$31,746,000 (2016 - \$33,387,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 448,692	14.2 %	\$ 429,063	12.8 %
Consumer Staple	212,785	6.7 %	387,985	11.7 %
Energy	146,679	4.6 %	268,940	8.1 %
Financial Services	534,210	16.8 %	501,294	15.1 %
Health Care	405,684	12.8 %	367,699	11.1 %
Industrial Products	313,216	9.9 %	307,805	9.3 %
Information Technology	843,706	26.6 %	768,249	23.1 %
Materials and Processing	148,621	4.7 %	195,273	5.9 %
Telecommunication Services	77,212	2.4 %	59,958	1.8 %
Utilities	40,126	1.3 %	36,299	1.1 %
Total Equities	<u>\$ 3,170,931</u>	<u>100.0 %</u>	<u>\$ 3,322,565</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$303,319,000 (2016 - \$316,167,000) or 9.4% (2016 - 9.3%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Australia	\$ 25,604	0.9 %	\$ 74,346	2.3 %
Brazil	-	- %	10,193	0.3 %
China	105,268	3.3 %	59,742	1.8 %
Denmark	57,192	1.8 %	31,508	0.9 %
Finland	10,463	0.3 %	-	- %
France	194,843	6.1 %	171,463	5.2 %
Germany	66,604	2.1 %	102,948	3.1 %
Hong Kong	114,612	3.6 %	128,274	3.9 %
India	70,032	2.2 %	61,062	1.8 %
Ireland	17,238	0.5 %	17,951	0.5 %
Israel	-	- %	4,165	0.1 %
Italy	15,748	0.5 %	48,397	1.5 %
Japan	319,010	10.1 %	217,072	6.5 %
Korea	17,317	0.5 %	36,636	1.1 %
Malaysia	-	- %	21,633	0.7 %
Netherlands	29,201	0.9 %	28,844	0.9 %
Norway	-	- %	7,428	0.2 %
Singapore	-	- %	30,720	0.9 %
Spain	43,699	1.4 %	62,499	1.9 %
Sweden	29,544	0.9 %	33,400	1.0 %
Switzerland	128,023	4.0 %	199,122	6.0 %
Taiwan	76,712	2.4 %	71,748	2.2 %
United Kingdom	144,338	4.6 %	200,113	6.0 %
United States	1,649,767	52.1 %	1,645,652	49.5 %
Canada	55,716	1.8 %	57,649	1.7 %
Total Equities	<u>\$ 3,170,931</u>	<u>100.0 %</u>	<u>\$ 3,322,565</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

December 31, 2017				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	
(in 000s)				
Public Equities	\$ 3,170,931	-	\$	3,170,931
Money Market Funds	3,283	-		3,283
Total Investments	\$ 3,174,214	\$ -	\$	3,174,214

December 31, 2016				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total	
(in 000s)				
Public Equities	\$ 3,322,565	\$ -	\$	3,322,565
Money Market Funds	1,407	-		1,407
Total Investments	\$ 3,323,972	\$ -	\$	3,323,972

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

December 31, 2017				
Entity	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)	
Investee money market funds administered by BCI	2	\$ 5,483,074	\$	3,283

December 31, 2016				
Entity	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)	
Investee money market funds administered by BCI	1	\$ 3,028,308	\$	1,407

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 3,545	\$ 2,317
Dividends receivable		2,493	2,989
Security lending revenue receivable		53	36
Withholding taxes receivable		2,978	789
Derivative assets:			
Swaps		4,332	-
Investments		3,249,851	2,817,170
		<u>3,263,252</u>	<u>2,823,301</u>
Liabilities			
Payable for purchase of investments		767	1,571
Interest payable		-	3
BCI cost recoveries payable	4	1,117	225
Other accounts payable		50	7
Derivative liabilities:			
Swaps		9,962	37
		<u>11,896</u>	<u>1,843</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,251,356</u>	<u>\$ 2,821,458</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,184.327</i>	<i>1,183.165</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,745</u>	<u>\$ 2,385</u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 1,196	\$ 23
Dividend income		68,953	69,285
Securities lending income		835	404
Foreign exchange loss		(306)	(701)
Change in fair value of investments and derivatives:	6		
Net realized gain		412,752	104,144
Net change in unrealized depreciation		(47,887)	(98,807)
Total revenue		<u>435,543</u>	<u>74,348</u>
Expenses:			
BCI cost recoveries	4	3,064	2,159
Administrative fees		216	231
Commissions and stock exchange fees		2,541	951
Interest		-	150
Withholding taxes	7	3,064	3,406
Total operating expenses		<u>8,885</u>	<u>6,897</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>426,658</u>	<u>67,451</u>
Distributions to holders of redeemable units:			
From net investment income		(65,755)	(63,513)
From net realized gains on investments and derivatives		(403,779)	(105,171)
		<u>(469,534)</u>	<u>(168,684)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (42,876)</u>	<u>\$ (101,233)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 2,821,458	\$ 2,754,007
Decrease in net assets attributable to holders of redeemable units	(42,876)	(101,233)
Redeemable unit transactions:		
Proceeds from units issued	3,240	-
Reinvestment of distributions	469,534	168,684
Net increase from redeemable unit transactions	472,774	168,684
Balance, end of year	\$ 3,251,356	\$ 2,821,458

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (42,876)	\$ (101,233)
Adjustments for:		
Foreign exchange loss	306	701
Interest income	(1,196)	(23)
Dividend income	(68,953)	(69,285)
Interest expense	-	150
Withholding taxes	3,064	3,406
Net realized gain from investments and derivatives	(412,752)	(104,144)
Net change in unrealized depreciation from investments and derivatives	47,887	98,807
Non cash distributions	469,534	168,684
Proceeds from sale of investments	5,870,624	3,111,476
Amounts paid for purchase of investments	(5,932,847)	(3,175,593)
Security lending revenue receivable	(17)	21
Payable for purchase of investments	(804)	1,077
Interest payable	(3)	3
BCI cost recoveries payable	892	77
Other accounts payable	43	(68)
Interest received	1,196	23
Dividends received	69,449	69,730
Interest paid	-	(150)
Withholding taxes paid	(5,253)	(3,642)
	<u>(1,706)</u>	<u>17</u>
Financing activities:		
Proceeds from issue of redeemable units	3,240	-
	<u>3,240</u>	<u>-</u>
Net increase in cash	1,534	17
Effect of exchange rate changes on cash	(306)	(701)
Cash, beginning of year	2,317	3,001
Cash, end of year	\$ 3,545	\$ 2,317

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

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

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,027,856	\$ 2,649,734	\$ 2,815,499	\$ 2,394,674
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST2	303	303	320	320
CDOR Floating Rate Fund	215,389	214,877	-	-
LIBOR Floating Rate Fund	6,303	6,406	1,351	1,349
Total Investments	\$ 3,249,851	\$ 2,871,320	\$ 2,817,170	\$ 2,396,343

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

	Number of				Unrealized Gain
Date	Contracts	Expiry Date	Description	Notional Value	(Loss)
2017	2	April 2018	Basket Swap	\$ 40,892	\$ 121
2017	2	July 2018	Basket Swap	95,477	2
2017	2	Oct 2018	Basket Swap	836,077	4,209
					4,332
2017	2	Oct 2018	Basket Swap	835,334	(7,165)
2017	1	June 2018	Index Swap	215,293	(2,797)
					(9,962)
					(5,630)
	Number of				Unrealized Gain
Date	Contracts	Expiry Date	Description	Notional Value	(Loss)
2016	1	July 2017	Basket Swap	\$ 37,270	\$ (37)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Date</u>	<u>Currency Code</u>	<u>Amount Sold</u>	<u>Currency Code</u>	<u>Amount Bought</u>	<u>Unrealized Gain (Loss)</u>
2017	1	Jan 2018	JPY	\$ (1)	USD	\$ 1	\$ -
2017	1	Jan 2018	GBP	(352)	EUR	352	-
2017	1	Jan 2018	GBP	(247)	EUR	247	-
				<u>\$ (600)</u>		<u>\$ 600</u>	<u>\$ -</u>

<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Date</u>	<u>Currency Code</u>	<u>Amount Sold</u>	<u>Currency Code</u>	<u>Amount Bought</u>	<u>Unrealized Gain (Loss)</u>
2016	2	Jan 2017	USD	<u>\$ (58)</u>	HKD	<u>\$ 58</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

Financial Risk Management Discussion
as at December 31

The Global Quantitative Active Equity Fund (formerly Enhanced Indexed Global Equity Fund) (the Fund) invests in a portfolio of securities from across the globe. The Fund differs from the Active Global Equity Fund in that it relies on financial modelling to identify and rank under- or over-valued securities relative to other securities in its benchmark, the Morgan Stanley Capital International (MSCI) World ex-Canada Net Index (the Index). The Fund's objective is to exceed the return of the benchmark by 150 basis points per annum, net of all investment expenses, over a four year moving average. The Fund is managed internally by BCI.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of Index member companies,
- publicly traded income trust units,
- limited partnership interests, royalty trusts, and real estate investment trusts that trade on recognized exchanges,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- derivative instruments for the purposes of managing risk, enhancing returns and liquidity, lowering transaction costs, implementing synthetic indexing, and managing stock exposures,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- money market securities rated A-1 (low) or better, as well as units of the Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and/or U.S. Dollar Money Market Fund ST3, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

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

Financial Risk Management Discussion (continued)
as at December 31

The Fund may maintain short positions on Common Stock or Common Stock Equivalents of benchmark member companies with a market value of up to 35% of the net asset value of the Fund.

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

Financial Risk Management Discussion (continued)
as at December 31

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

DERIVATIVE LIABILITIES (in 000s)	2017			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (1,059,188)	\$ (1,059,188)	\$ (600)	\$ (1,058,588)
Inflows	1,049,226	1,049,226	600	1,048,626
	<u>\$ (9,962)</u>	<u>\$ (9,962)</u>	<u>\$ -</u>	<u>\$ (9,962)</u>

DERIVATIVE LIABILITIES (in 000s)	2016			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	3 months to 1 year
Outflows	\$ (95)	\$ (95)	\$ (58)	\$ (37)
Inflows	58	58	58	-
	<u>\$ (37)</u>	<u>\$ (37)</u>	<u>\$ -</u>	<u>\$ (37)</u>

Interest Rate Risk

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

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 79,856	\$ -	\$ 79,856	2.5 %
British Pound Sterling	217,748	(599)	217,149	6.7 %
Danish Krone	26,982	-	26,982	0.8 %
Euro	424,486	599	425,085	13.1 %
Hong Kong Dollar	43,985	-	43,985	1.4 %
Israeli Shekel	2,684	-	2,684	0.1 %
Japanese Yen	299,683	(1)	299,682	9.2 %
New Zealand Dollar	2,627	-	2,627	0.1 %
Norwegian Krone	12,100	-	12,100	0.4 %
Singapore Dollar	18,221	-	18,221	0.6 %
Swedish Krona	33,693	-	33,693	1.0 %
Swiss Franc	73,264	-	73,264	2.3 %
United States Dollar	2,016,530	1	2,016,531	62.0 %
Net Foreign Exchange Exposure	<u>\$ 3,251,859</u>	<u>\$ -</u>	<u>\$ 3,251,859</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

Financial Risk Management Discussion (continued)
as at December 31

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 75,126	\$ -	\$ 75,126	2.7 %
British Pound Sterling	187,405	-	187,405	6.6 %
Danish Krone	17,347	-	17,347	0.6 %
Euro	334,937	-	334,937	11.9 %
Hong Kong Dollar	28,182	58	28,240	1.0 %
Israeli Shekel	2,246	-	2,246	0.1 %
Japanese Yen	256,716	-	256,716	9.1 %
New Zealand Dollar	2,633	-	2,633	0.1 %
Norwegian Krone	4,866	-	4,866	0.2 %
Singapore Dollar	14,047	-	14,047	0.5 %
Swedish Krona	33,588	-	33,588	1.2 %
Swiss Franc	84,361	-	84,361	3.0 %
United States Dollar	1,779,876	(58)	1,779,818	63.1 %
Net Foreign Exchange Exposure	\$ 2,821,330	\$ -	\$ 2,821,330	100.0 %

As at December 31, 2017, 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 \$32,519,000 (2016 - \$28,213,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 389,225	12.8 %	\$ 378,708	13.5 %
Consumer Staple	275,067	9.1 %	261,489	9.3 %
Energy	188,077	6.2 %	181,782	6.5 %
Financial Services	601,722	19.9 %	560,107	19.9 %
Health Care	368,838	12.2 %	359,482	12.8 %
Industrial Products	352,893	11.7 %	319,452	11.3 %
Information Technology	542,801	17.9 %	437,593	15.5 %
Materials and Processing	144,224	4.8 %	137,806	4.9 %
Telecommunication Services	76,219	2.5 %	93,341	3.3 %
Utilities	88,790	2.9 %	85,739	3.0 %
Total Equities	\$ 3,027,856	100.0 %	\$ 2,815,499	100.0 %

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$302,128,000 (2016 - \$285,230,000) or 9.3% (2016 - 10.1%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Australia	\$ 38,907	1.3 %	\$ 74,787	2.7 %
Austria	5,029	0.2 %	1,433	0.1 %
Belgium	28,214	0.9 %	11,544	0.4 %
Denmark	26,583	0.9 %	17,288	0.6 %
Finland	7,630	0.3 %	14,005	0.5 %
France	85,468	2.8 %	111,783	4.0 %
Germany	110,317	3.6 %	94,735	3.4 %
Hong Kong	26,228	0.9 %	29,662	1.1 %
Ireland	1,170	- %	4,905	0.2 %
Israel	5,143	0.2 %	6,720	0.2 %
Italy	60,933	2.0 %	20,969	0.7 %
Japan	157,749	5.2 %	256,380	9.1 %
Netherlands	51,587	1.7 %	38,415	1.4 %
New Zealand	1,607	0.1 %	2,444	0.1 %
Norway	12,100	0.4 %	4,826	0.2 %
Portugal	4,617	0.2 %	4,540	0.2 %
Singapore	10,401	0.3 %	14,007	0.5 %
Spain	62,947	2.1 %	29,273	1.0 %
Sweden	33,693	1.1 %	33,588	1.2 %
Switzerland	72,032	2.4 %	83,929	3.0 %
United Kingdom	230,000	7.6 %	193,147	6.9 %
United States	1,995,501	65.8 %	1,767,119	62.5 %
Total Equities	<u>\$ 3,027,856</u>	<u>100.0 %</u>	<u>\$ 2,815,499</u>	<u>100.0 %</u>

Fair Value Measurement Discussion
as at December 31

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 3,027,856	\$ -	\$ 3,027,856
Money Market Funds	303	-	303
Floating Rate Funds	221,692	-	221,692
Total Investments	\$ 3,249,851	\$ -	\$ 3,249,851
Swaps	-	(5,630)	(5,630)
Total	<u>\$ 3,249,851</u>	<u>\$ (5,630)</u>	<u>\$ 3,244,221</u>

	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,815,499	\$ -	\$ 2,815,499
Money Market Funds	320	-	320
Floating Rate Funds	1,351	-	1,351
Total Investments	\$ 2,817,170	\$ -	\$ 2,817,170
Swaps	-	(37)	(37)
Total	<u>\$ 2,817,170</u>	<u>\$ (37)</u>	<u>\$ 2,817,133</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND
(formerly Enhanced Indexed Global Equity Fund)

Fair Value Measurement Discussion (continued)
as at December 31

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

Involvement with Structured Entities
as at December 31

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	3	\$ 9,079	\$ 221,995

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 4,558,173	\$ 1,671

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 4,509	\$ 1,829
Receivable from sale of investments		-	58
Dividends receivable		8,792	2,596
Security lending revenue receivable		112	-
Withholding taxes receivable		1,097	620
Derivative assets:			
Swaps		60,802	51,936
Investments		<u>11,499,953</u>	<u>3,495,397</u>
		<u>11,575,265</u>	<u>3,552,436</u>
Liabilities			
Payable for purchase of investments		1,021	817
BCI cost recoveries payable	4	2,492	276
Other accounts payable		67	5
Derivative liabilities:			
Swaps		<u>14,799</u>	<u>-</u>
		<u>18,379</u>	<u>1,098</u>
Net assets attributable to holders of redeemable units		<u>\$ 11,556,886</u>	<u>\$ 3,551,338</u>
<i>Number of redeemable units outstanding</i>	5	4,498,593	1,590,439
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,569</u>	<u>\$ 2,233</u>

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 20,696	\$ 5,839
Dividend income		87,937	58,507
Securities lending income		688	324
Foreign exchange loss		(15,870)	(241)
Change in fair value of investments and derivatives:	6		
Net realized gain		524,025	63,337
Net change in unrealized appreciation		<u>327,304</u>	<u>58,797</u>
Total revenue		<u>944,780</u>	<u>186,563</u>
Expenses:			
BCI cost recoveries	4	5,779	2,679
Administrative fees		200	146
Commissions and stock exchange fees		1,384	214
Withholding taxes	7	<u>3,148</u>	<u>2,808</u>
Total operating expenses		<u>10,511</u>	<u>5,847</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>934,269</u>	<u>180,716</u>
Distributions to holders of redeemable units:			
From net investment income		(81,500)	(55,587)
From net realized gains on investments and derivatives		<u>(528,943)</u>	<u>(67,621)</u>
		<u>(610,443)</u>	<u>(123,208)</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 323,826</u>	<u>\$ 57,508</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 3,551,338	\$ 2,085,810
Increase in net assets attributable to holders of redeemable units	323,826	57,508
Redeemable unit transactions:		
Proceeds from units issued	9,131,200	1,496,852
Reinvestment of distributions	610,443	123,208
Amounts paid for units redeemed	(2,059,921)	(212,040)
Net increase from redeemable unit transactions	7,681,722	1,408,020
Balance, end of year	\$ 11,556,886	\$ 3,551,338

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 323,826	\$ 57,508
Adjustments for:		
Foreign exchange loss	15,870	241
Interest income	(20,696)	(5,839)
Dividend income	(87,937)	(58,507)
Withholding taxes	3,148	2,808
Net realized gain from investments and derivatives	(524,025)	(63,337)
Net change in unrealized appreciation from investments and derivatives	(327,304)	(58,797)
Non cash distributions	610,443	123,208
Proceeds from sale of investments	3,391,933	251,456
Amounts paid for purchase of investments	10,539,227	(1,594,706)
Receivable from sale of investments	58	(58)
Security lending revenue receivable	(112)	29
Payable for purchase of investments	204	325
BCI cost recoveries payable	2,216	137
Other accounts payable	62	(37)
Interest received	20,696	5,839
Dividends received	81,741	58,510
Withholding taxes paid	(3,625)	(2,857)
	<u>(7,052,729)</u>	<u>(1,284,077)</u>
Financing activities:		
Proceeds from issue of redeemable units	9,131,200	1,496,852
Payments on redemption of redeemable units	(2,059,921)	(212,040)
	<u>7,071,279</u>	<u>1,284,812</u>
Net increase in cash	18,550	735
Effect of exchange rate changes on cash	(15,870)	(241)
Cash, beginning of year	1,829	1,335
Cash, end of year	\$ 4,509	\$ 1,829

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Schedule of Investments

as at December 31
(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 9,000,190	\$ 7,866,837	\$ 2,148,681	\$ 1,399,588
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST2	389	390	224	224
CDOR Floating Rate Fund	2,226,435	2,224,004	-	-
LIBOR Floating Rate Fund	272,939	282,211	1,346,492	1,302,311
	<u>2,499,763</u>	<u>2,506,605</u>	<u>1,346,716</u>	<u>1,302,535</u>
Total Investments	<u>\$11,499,953</u>	<u>\$10,373,442</u>	<u>\$ 3,495,397</u>	<u>\$ 2,702,123</u>

Schedule of Foreign Currency Contracts

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

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	1	Jan 2018	EUR	<u>\$ (43)</u>	USD	<u>\$ 43</u>	<u>\$ -</u>
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	EUR	\$ (20)	USD	\$ 20	\$ -
2016	1	Jan 2017	USD	<u>(17)</u>	EUR	<u>17</u>	<u>-</u>
				<u>\$ (37)</u>		<u>\$ 37</u>	<u>\$ -</u>

Schedule of Swaps

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

Date	Number of Contracts	Expiry Date	Description	Notional Value	Unrealized Gain (Loss)
2017	3	July 2018	Equity Index	\$ 1,297,369	\$ 54,375
2017	1	Oct 2018	Equity Index	22,990	1,881
2017	2	Nov 2018	Equity Index	430,000	4,546
					<u>60,802</u>
2017	1	Mar 2018	Equity Index	109,411	(1,839)
2017	2	Dec 2018	Equity Index	380,280	(6,186)
2017	1	July 2018	Equity Index	257,070	(6,774)
					<u>(14,799)</u>
					<u>\$ 46,003</u>
Date	Number of Contracts	Expiry Date	Description	Notional Value	Unrealized Gain (Loss)
2016	1	July 2017	Equity Index	\$ 1,300,278	<u>\$ 51,936</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

Financial Risk Management Discussion
as at December 31

The investment objective of the Indexed Global Equity Fund (the Fund) is to generate a risk/return profile that is similar to the Morgan Stanley Capital International (MSCI) World ex-Canada Net Index (the Index), the Fund's benchmark. The Fund's performance objective is to exceed the benchmark return by 30 basis points per annum, net of all investment expenses incurred. The Fund is managed internally by BCI. BCI portfolio managers hold company, sector, and country allocations roughly in proportion to their benchmark weights and have discretion to determine the appropriate timing of implementing Index changes.

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

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

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

Financial Risk Management Discussion (continued)
as at December 31

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

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

DERIVATIVE LIABILITIES (in 000s)	2017				
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months	3 months to 1 year
Outflows	\$ (747,156)	\$ (747,156)	\$ (43)	\$ (109,457)	\$ (637,656)
Inflows	732,357	732,357	43	107,617	624,697
	<u>\$ (14,799)</u>	<u>\$ (14,799)</u>	<u>\$ -</u>	<u>\$ (1,840)</u>	<u>\$ (12,959)</u>

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing or earn a floating rate of interest, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

Financial Risk Management Discussion
as at December 31

Currency Risk

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

CURRENCY (in 000s)	2017			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 306,182	\$ -	\$ 306,182	2.6 %
British Pound Sterling	763,053	-	763,053	6.6 %
Danish Krone	79,232	-	79,232	0.7 %
Euro	1,473,758	(43)	1,473,715	12.8 %
Hong Kong Dollar	147,909	-	147,909	1.3 %
Israeli Shekel	10,648	-	10,648	0.1 %
Japanese Yen	1,069,547	-	1,069,547	9.3 %
New Zealand Dollar	6,994	-	6,994	0.1 %
Norwegian Krone	33,946	-	33,946	0.3 %
Singapore Dollar	56,966	-	56,966	0.5 %
Swedish Krona	118,907	-	118,907	1.0 %
Swiss Franc	357,018	-	357,018	3.1 %
United States Dollar	7,131,964	43	7,132,007	61.7 %
Net Foreign Exchange Exposure	\$ 11,556,124	\$ -	\$ 11,556,124	100.0 %

Financial Risk Management Discussion (continued)
as at December 31

CURRENCY (in 000s)	2016			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 97,654	\$ -	\$ 97,654	2.7 %
British Pound Sterling	235,682	-	235,682	6.6 %
Danish Krone	21,487	-	21,487	0.6 %
Euro	411,608	(3)	411,605	11.6 %
Hong Kong Dollar	39,736	-	39,736	1.1 %
Israeli Shekel	3,374	-	3,374	0.1 %
Japanese Yen	318,076	-	318,076	9.0 %
New Zealand Dollar	2,218	-	2,218	0.1 %
Norwegian Krone	8,504	-	8,504	0.2 %
Singapore Dollar	16,040	-	16,040	0.5 %
Swedish Krona	37,624	-	37,624	1.1 %
Swiss Franc	114,053	-	114,053	3.2 %
United States Dollar	2,243,650	3	2,243,653	63.2 %
Net Foreign Exchange Exposure	\$ 3,549,706	\$ -	\$ 3,549,706	100.0 %

As at December 31, 2017, 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 \$115,561,000 (2016 - \$35,497,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 1,131,778	12.6 %	\$ 270,540	12.7 %
Consumer Staple	836,643	9.3 %	213,502	9.9 %
Energy	524,528	5.8 %	143,329	6.7 %
Financial Services	1,829,513	20.3 %	438,176	20.4 %
Health Care	1,105,343	12.3 %	268,939	12.5 %
Industrial Products	1,068,878	11.9 %	243,816	11.3 %
Information Technology	1,539,469	17.1 %	324,155	15.1 %
Materials and Processing	448,302	5.0 %	103,194	4.8 %
Telecommunication Services	251,938	2.8 %	73,452	3.4 %
Utilities	263,798	2.9 %	69,578	3.2 %
Total Equities	<u>\$ 9,000,190</u>	<u>100.0 %</u>	<u>\$ 2,148,681</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$900,471,000 (2016 - \$216,878,000) or 7.8% (2016 - 6.1%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Australia	\$ 237,662	2.6 %	\$ 59,769	2.8 %
Austria	7,736	0.1 %	1,398	0.1 %
Belgium	38,170	0.4 %	9,596	0.4 %
Denmark	61,398	0.7 %	13,069	0.6 %
Finland	32,102	0.4 %	8,121	0.4 %
France	377,811	4.2 %	82,264	3.8 %
Germany	342,851	3.8 %	75,111	3.5 %
Hong Kong	124,003	1.4 %	25,697	1.2 %
Ireland	16,188	0.2 %	3,871	0.2 %
Israel	15,232	0.2 %	5,506	0.3 %
Italy	84,280	0.9 %	17,061	0.8 %
Japan	835,044	9.3 %	195,075	9.1 %
Netherlands	125,283	1.4 %	27,221	1.3 %
New Zealand	5,305	0.1 %	1,306	0.1 %
Norway	27,478	0.3 %	5,116	0.2 %
Portugal	5,575	0.1 %	1,255	0.1 %
Singapore	42,948	0.5 %	9,970	0.5 %
Spain	109,534	1.2 %	25,255	1.2 %
Sweden	92,812	1.0 %	23,168	1.1 %
Switzerland	278,556	3.1 %	69,660	3.2 %
United Kingdom	622,677	6.9 %	148,007	6.9 %
United States	<u>5,517,545</u>	<u>61.2 %</u>	<u>1,341,185</u>	<u>62.2 %</u>
Total Equities	<u>\$ 9,000,190</u>	<u>100.0 %</u>	<u>\$ 2,148,681</u>	<u>100.0 %</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Public Equities	\$ 9,000,190	\$ -	\$ 9,000,190
Money Market Funds	389	-	389
Floating Rate Funds	2,499,374	-	2,499,374
Total Investments	\$ 11,499,953	\$ -	\$ 11,499,953
Swaps	-	46,003	46,003
Total	\$ 11,499,953	\$ 46,003	\$ 11,545,956

	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Public Equities	\$ 2,148,681	\$ -	\$ 2,148,681
Money Market Funds	224	-	224
Floating Rate Funds	1,346,492	-	1,346,492
Total Investments	\$ 3,495,397	\$ -	\$ 3,495,397
Swaps	-	51,936	51,936
Total	\$ 3,495,397	\$ 51,936	\$ 3,547,333

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

Involvement with Structured Entities
as at December 31

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	3	\$ 9,078,821	\$ 2,499,763

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 4,558,173	\$ 1,346,716

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL ESG EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 1,860	\$ 3,225
Receivable from sale of investments		452	1,322
Dividends receivable		5,291	5,205
Security lending revenue receivable		68	47
Withholding taxes receivable		1,397	1,079
Investments		<u>3,968,903</u>	<u>3,498,280</u>
		<u>3,977,971</u>	<u>3,509,158</u>
Liabilities			
Payable for purchase of investments		447	2,810
BCI cost recoveries payable	4	845	310
Other accounts payable		<u>58</u>	<u>8</u>
		<u>1,350</u>	<u>3,128</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 3,976,621</u></u>	<u><u>\$ 3,506,030</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>1,858.167</i>	<i>1,858.167</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,140</u></u>	<u><u>\$ 1,887</u></u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest loss		\$ (8)	\$ (1)
Dividend income		95,139	98,399
Securities lending income		918	568
Foreign exchange loss		(698)	(1,615)
Change in fair value of investments and derivatives:	6		
Net realized gain		41,948	72,267
Net change in unrealized appreciation (depreciation)		<u>341,433</u>	<u>(32,673)</u>
Total revenue		<u>478,732</u>	<u>136,945</u>
Expenses:			
BCI cost recoveries	4	3,612	3,340
Administrative fees		152	165
Commissions and stock exchange fees		207	384
Withholding taxes	7	<u>4,170</u>	<u>3,918</u>
Total operating expenses		<u>8,141</u>	<u>7,807</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>470,591</u>	<u>129,138</u>
Distributions to holders of redeemable units:			
From net investment income		(87,885)	(89,861)
From net realized gains on investments and derivatives		<u>(42,821)</u>	<u>(72,140)</u>
		<u>(130,706)</u>	<u>(162,001)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 339,885</u></u>	<u><u>\$ (32,863)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL ESG EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 3,506,030	\$ 3,376,892
Increase (decrease) in net assets attributable to holders of redeemable units	339,885	(32,863)
Redeemable unit transactions:		
Reinvestment of distributions	130,706	162,001
Net increase from redeemable unit transactions	130,706	162,001
Balance, end of year	\$ 3,976,621	\$ 3,506,030

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 339,885	\$ (32,863)
Adjustments for:		
Foreign exchange loss	698	1,615
Interest loss	8	1
Dividend income	(95,139)	(98,399)
Withholding taxes	4,170	3,918
Net realized gain from investments and derivatives	(41,948)	(72,267)
Net change in unrealized (appreciation) depreciation from investments and derivatives	(341,433)	32,673
Non cash distributions	130,706	162,001
Proceeds from sale of investments	319,589	555,135
Amounts paid for purchase of investments	(406,831)	(643,490)
Receivable from sale of investments	870	(1,322)
Security lending revenue receivable	(21)	(6)
Payable for purchase of investments	(2,363)	2,168
BCI cost recoveries payable	535	52
Other accounts payable	50	(43)
Interest paid	(8)	(1)
Dividends received	95,053	98,328
Withholding taxes paid	(4,488)	(4,672)
Net increase (decrease) in cash	(667)	2,828
Effect of exchange rate changes on cash	(698)	(1,615)
Cash, beginning of year	3,225	2,012
Cash, end of year	\$ 1,860	\$ 3,225

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL ESG EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,968,853	\$ 2,964,686	\$ 3,498,254	\$ 2,835,520
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST2	50	50	26	26
Total Investments	\$ 3,968,903	\$ 2,964,736	\$ 3,498,280	\$ 2,835,546

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	1	Jan 2018	EUR	\$ (28)	USD	\$ 28	\$ -
2017	1	Jan 2018	CAD	(578)	USD	578	-
2017	1	Jan 2018	NZD	(212)	USD	212	-
2017	1	Jan 2018	SGD	(110)	USD	110	-
				<u>\$ (928)</u>		<u>\$ 928</u>	<u>\$ -</u>
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	1	Jan 2017	USD	\$ (257)	JPY	\$ 257	\$ -
2016	1	Jan 2017	EUR	(234)	USD	234	-
2016	1	Jan 2017	EUR	(153)	CHF	153	-
				<u>\$ (644)</u>		<u>\$ 644</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

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

The Indexed Global ESG Equity Fund (the Fund) invests in global equity securities with high environmental, social, and governance ratings relative to their sector peers, providing broad exposure to global equity markets. The Fund's investment objective is to exceed the return of the Morgan Stanley Capital International (MSCI) World ESG Net Index (the Index), the Fund's benchmark, by 30 basis points per annum, net of all investment expenses incurred. The Fund is managed internally by BCI. BCI portfolio managers hold all investments in individual companies at approximately the same proportion as their weighting in the Index, with the exception of companies wholly excluded by BCI for having significant business activities contrary to environmental, social and governance (ESG) principles.

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

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

Currency Risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2017			
	Net Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 137,994	\$ -	\$ 137,994	3.5 %
British Pound Sterling	193,993	-	193,993	4.9 %
Danish Krone	37,867	-	37,867	1.0 %
Euro	488,676	(28)	488,648	12.3 %
Hong Kong Dollar	30,007	-	30,007	0.8 %
Israeli Shekel	3,767	-	3,767	0.1 %
Japanese Yen	343,222	-	343,222	8.6 %
New Zealand Dollar	3,191	(212)	2,979	0.1 %
Norwegian Krone	16,917	-	16,917	0.4 %
Singapore Dollar	20,390	(110)	20,280	0.5 %
Swedish Krona	59,212	-	59,212	1.5 %
Swiss Franc	137,350	-	137,350	3.5 %
United States Dollar	2,339,167	928	2,340,095	58.8 %
Net Foreign Exchange Exposure	\$ 3,811,753	\$ 578	\$ 3,812,331	95.9 %

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

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 121,862	\$ -	\$ 121,862	3.5 %
British Pound Sterling	181,365	-	181,365	5.2 %
Danish Krone	28,160	-	28,160	0.8 %
Euro	385,660	(387)	385,273	11.0 %
Hong Kong Dollar	23,636	-	23,636	0.7 %
Israeli Shekel	1,252	-	1,252	- %
Japanese Yen	305,724	257	305,981	8.7 %
New Zealand Dollar	3,688	-	3,688	0.1 %
Norwegian Krone	13,808	-	13,808	0.4 %
Singapore Dollar	16,744	-	16,744	0.5 %
Swedish Krona	60,887	-	60,887	1.7 %
Swiss Franc	116,246	153	116,399	3.3 %
United States Dollar	2,107,654	(23)	2,107,631	60.1 %
Net Foreign Exchange Exposure	\$ 3,366,686	\$ -	\$ 3,366,686	96.0 %

As at December 31, 2017, 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 \$38,123,000 (2016 - \$33,667,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 488,045	12.4 %	\$ 425,898	12.3 %
Consumer Staple	350,339	8.8 %	329,204	9.4 %
Energy	235,439	5.9 %	235,423	6.7 %
Financial Services	828,600	20.9 %	758,523	21.7 %
Health Care	483,951	12.2 %	451,723	12.9 %
Industrial Products	476,525	12.0 %	386,094	11.0 %
Information Technology	648,328	16.3 %	513,391	14.7 %
Materials and Processing	217,007	5.5 %	171,125	4.9 %
Telecommunication Services	116,681	2.9 %	117,158	3.3 %
Utilities	123,938	3.1 %	109,715	3.1 %
Total Equities	<u>\$ 3,968,853</u>	<u>100.0 %</u>	<u>\$ 3,498,254</u>	<u>100.0 %</u>

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$393,350,000 (2016 - \$346,676,000) or 9.9% (2016 – 9.9%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Australia	\$ 137,436	3.5 %	\$ 121,205	3.5 %
Austria	1,849	- %	652	- %
Belgium	6,626	0.2 %	5,040	0.1 %
Denmark	37,679	0.9 %	28,069	0.8 %
Finland	10,150	0.3 %	4,741	0.1 %
France	145,561	3.7 %	131,777	3.8 %
Germany	152,753	3.8 %	104,318	3.0 %
Hong Kong	29,771	0.8 %	23,596	0.7 %
Ireland	9,471	0.2 %	8,268	0.2 %
Israel	3,741	0.1 %	1,245	- %
Italy	24,591	0.6 %	18,618	0.5 %
Japan	342,966	8.6 %	305,754	8.7 %
Netherlands	81,564	2.1 %	66,668	1.9 %
New Zealand	2,979	0.1 %	3,684	0.1 %
Norway	16,704	0.4 %	13,808	0.4 %
Portugal	4,348	0.1 %	3,658	0.1 %
Singapore	19,959	0.5 %	16,455	0.5 %
Spain	52,408	1.3 %	40,831	1.2 %
Sweden	59,212	1.5 %	60,887	1.7 %
Switzerland	136,590	3.4 %	115,784	3.3 %
United Kingdom	193,296	4.9 %	180,243	5.2 %
United States	2,334,761	58.9 %	2,103,995	60.2 %
Canada	164,438	4.1 %	138,958	4.0 %
Total Equities	<u>\$ 3,968,853</u>	<u>100.0 %</u>	<u>\$ 3,498,254</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 3,968,853	\$ -	\$ 3,968,853
Money Market Funds	50	-	50
Total Investments	<u>\$ 3,968,903</u>	<u>\$ -</u>	<u>\$ 3,968,903</u>

(in 000s)	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 3,498,254	\$ -	\$ 3,498,254
Money Market Funds	26	-	26
Total Investments	<u>\$ 3,498,280</u>	<u>\$ -</u>	<u>\$ 3,498,280</u>

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	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 BCI	1	\$ 5,273,236	\$ 50

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 BCI	1	\$ 3,028,308	\$ 26

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Financial Position				Statement of Comprehensive Income/(Loss)			
(all amounts in thousands except number of units)				(all amounts in thousands)			
	Note	December 31, 2017	December 31, 2016		Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Assets				Revenue:			
Cash		\$ 287,210	\$ 216,405	Interest income		\$ 2,603	\$ 303
Receivable from sale of investments		37,450	14,621	Dividend income		228,853	187,116
Receivable from issue of units		1,250	-	Securities lending income		1,320	701
Dividends receivable		17,501	18,394	Foreign exchange gain (loss)		(12,830)	403
Security lending revenue receivable		120	64	Change in fair value of investments and derivatives:	6		
Withholding taxes receivable		748	193	Net realized gain		809,597	73,682
Derivative assets:				Net change in unrealized appreciation (depreciation)		1,277,102	(94,482)
Foreign currency contracts		10	2	Total revenue		2,306,645	167,723
Swaps		10,070	-				
Investments		9,863,145	8,059,810	Expenses:			
		<u>10,217,504</u>	<u>8,309,489</u>	BCI cost recoveries	4	33,827	5,582
Liabilities				External management fees		63,440	53,600
Payable for purchase of investments		30,074	9,709	Administrative fees		3,647	5,739
External management fees payable		16,528	15,107	Commissions and stock exchange fees		15,514	11,474
BCI cost recoveries payable	4	28,689	569	Withholding taxes	7	26,933	15,801
Other accounts payable		1,731	326	Total operating expenses		143,361	92,196
Derivative liabilities:							
Foreign currency contracts		12	8				
		<u>77,034</u>	<u>25,719</u>				
Net assets attributable to holders of redeemable units		<u>\$ 10,140,470</u>	<u>\$ 8,283,770</u>				
<i>Number of redeemable units outstanding</i>	5	6,152,941	6,282,642	Increase in net assets attributable to holders of redeemable units from operations excluding distributions		2,163,284	75,527
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,648</u>	<u>\$ 1,319</u>				
				Distributions to holders of redeemable units:			
				From net investment income		(120,954)	(103,346)
				From net realized gains on investments and derivatives		(783,058)	(69,600)
						<u>(904,012)</u>	<u>(172,946)</u>
				Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 1,259,272</u>	<u>\$ (97,419)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 8,283,770	\$ 7,721,514
Increase (decrease) in net assets attributable to holders of redeemable units	1,259,272	(97,419)
Redeemable unit transactions:		
Proceeds from units issued	672,756	486,729
Reinvestment of distributions	904,012	172,946
Amounts paid for units redeemed	(979,340)	-
Net increase from redeemable unit transactions	597,428	659,675
Balance, end of year	\$ 10,140,470	\$ 8,283,770

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,259,272	\$ (97,419)
Adjustments for:		
Foreign exchange (gain) loss	12,830	(403)
Interest income	(2,603)	(303)
Dividend income	(228,853)	(187,116)
Withholding taxes	26,933	15,801
Net realized gain from investments and derivatives	(809,597)	(73,682)
Net change in unrealized (appreciation) depreciation from investments and derivatives	(1,277,102)	94,482
Non cash distributions	904,012	172,946
Proceeds from sale of investments	4,602,229	3,108,023
Amounts paid for purchase of investments	(4,328,939)	(3,664,208)
Receivable from sale of investments	(22,829)	(10,681)
Receivable from issue of units	(1,250)	-
Security lending revenue receivable	(56)	3
Payable for purchase of investments	20,365	(4,041)
External management fees payable	1,421	3,410
BCI cost recoveries payable	28,120	243
Other accounts payable	1,405	(1,225)
Interest received	2,603	303
Dividends received	229,746	183,029
Withholding taxes paid	(27,488)	(15,887)
	390,219	(476,725)
Financing activities:		
Proceeds from issue of redeemable units	672,756	486,729
Payments on redemption of redeemable units	(979,340)	-
	(306,584)	486,729
Net increase in cash	83,635	10,004
Effect of exchange rate changes on cash	(12,830)	403
Cash, beginning of year	216,405	205,998
Cash, end of year	\$ 287,210	\$ 216,405

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 9,621,524	\$ 7,203,998	\$ 8,057,643	\$ 6,904,757
Money Market				
Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	177	177	2,167	2,167
Fund ST3	1,316	1,320	-	-
LIBOR Floating Rate Fund	240,128	237,736	-	-
	<u>241,621</u>	<u>239,233</u>	<u>2,167</u>	<u>2,167</u>
Total Investments	<u>\$ 9,863,145</u>	<u>\$ 7,443,231</u>	<u>\$ 8,059,810</u>	<u>\$ 6,906,924</u>

Schedule of Foreign Currency Contracts

as at December 31

(all amounts reported in thousands of Canadian dollars)

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	1	Jan 2018	TRY	(235)	USD	236	1
2017	2	Jan 2018	TWD	(3,587)	USD	3,596	9
				<u>(3,822)</u>		<u>3,832</u>	<u>10</u>
2017	1	Jan 2018	USD	\$ (136)	BRL	\$ 135	\$ (1)
2017	1	Jan 2018	USD	(245)	KRW	245	-
2017	1	Jan 2018	COP	(44)	USD	44	-
2017	3	Jan 2018	THB	(2,946)	USD	2,936	(10)
2017	1	Jan 2018	INR	(9)	USD	9	-
2017	2	Jan 2018	MYR	(88)	USD	88	-
2017	1	Jan 2018	PHP	(84)	USD	84	-
2017	1	Jan 2018	USD	(1,913)	HKD	1,912	(1)
				<u>(5,465)</u>		<u>5,453</u>	<u>(12)</u>
				<u>\$ (9,287)</u>		<u>\$ 9,285</u>	<u>\$ (2)</u>
Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2016	2	Jan 2017	USD	\$ (915)	MXN	\$ 916	\$ 1
2016	1	Jan 2017	USD	(2,163)	THB	2,164	1
2016	1	Jan 2017	USD	(35)	BRL	35	-
2016	1	Jan 2017	USD	(15)	PHP	15	-
				<u>(3,128)</u>		<u>3,130</u>	<u>2</u>
2016	2	Jan 2017	USD	(391)	IDR	390	(1)
2016	2	Jan 2017	ZAR	(645)	USD	643	(2)
2016	2	Jan 2017	THB	(1,710)	USD	1,705	(5)
2016	1	Jan 2017	HKD	(385)	USD	385	-
2016	1	Jan 2017	PHP	(75)	USD	75	-
				<u>(3,206)</u>		<u>3,198</u>	<u>(8)</u>
				<u>\$ (6,334)</u>		<u>\$ 6,328</u>	<u>\$ (6)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Schedule of Swaps

as at December 31

(all amounts in thousands)

<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Date</u>	<u>Description</u>	<u>Notional Value</u>	<u>Unrealized Gain (Loss)</u>
2017	4	Sept 2018	Equity Index	\$ <u>235,003</u>	\$ <u>10,070</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion
as at December 31

The investment objective of the Active Emerging Markets Equity Fund (the Fund) is to provide participating clients with exposure to a portfolio of actively managed emerging market equity investments, with the potential of earning a higher rate of return than the benchmark, the Morgan Stanley Capital International (MSCI) Emerging Markets Net Index (the Index). The objective of the Fund is to exceed the benchmark return by 200 basis points per annum, net of all investment expenses incurred, over a four year rolling average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of companies whose country is classified as an emerging market by MSCI; listed on an emerging market exchange; whose country is classified as a frontier market by MSCI; whose country is classified as a developed market by MSCI provided that 50% or more of those companies' assets, revenues or profits are derived from emerging markets; and/or listed on a Singapore exchange,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, and
- money market securities rated A-1 (low) or better, and units of the Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, U.S. Dollar Money Market Fund ST3, and other BCI short-term fixed income pooled funds.

Financial Risk Management Discussion (continued)
as at December 31

The following restrictions apply to the Fund:

- Not more than 10% of the market value of the Fund can be invested in the securities of one company,
- Investments in companies whose country is classified as a frontier market by MSCI are limited to 10% of the market value of the Fund,
- At inception, external counterparties must be financial institutions that are rated "A-" or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

Liquidity Risk

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

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

DERIVATIVE LIABILITIES (in 000s)	2017		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (5,465)	\$ (5,465)	\$ (5,465)
Inflows	5,453	5,453	5,453
	<u>\$ (12)</u>	<u>\$ (12)</u>	<u>\$ (12)</u>

DERIVATIVE LIABILITIES (in 000s)	2016		
	Carrying amount	Gross nominal in (out) flow	Less than 1 month
Outflows	\$ (3,206)	\$ (3,206)	\$ (3,206)
Inflows	3,198	3,198	3,198
	<u>\$ (8)</u>	<u>\$ (8)</u>	<u>\$ (8)</u>

Interest Rate Risk

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

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

Currency Risk

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

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Argentine Peso	\$ 1,478	\$ -	\$ 1,478	- %
Brazilian Real	721,555	135	721,690	7.1 %
British Pound Sterling	19,382	-	19,382	0.2 %
Chilean Peso	66,070	-	66,070	0.7 %
Chinese Renminbi	1,234,634	-	1,234,634	12.2 %
Columbian Peso	5,580	(44)	5,536	0.1 %
Euro	180,682	-	180,682	1.8 %
Hong Kong Dollar	1,525,347	1,912	1,527,259	15.1 %
Hungarian Forint	54,852	-	54,852	0.5 %
Indian Rupee	1,516,044	(9)	1,516,035	15.0 %
Indonesian Rupiah	318,403	-	318,403	3.1 %
Korean Won	967,901	245	968,146	9.5 %
Malaysian Ringgit	158,916	(88)	158,828	1.6 %
Mexican Peso	251,051	-	251,051	2.5 %
Peruvian Sol	4,898	-	4,898	- %
Philippine Peso	123,490	(84)	123,406	1.2 %
Polish Zloty	80,184	-	80,184	0.8 %
Russian Ruble	47,397	-	47,397	0.5 %
Singapore Dollar	166,703	-	166,703	1.6 %
South African Rand	210,061	-	210,061	2.1 %
Taiwan Dollar	303,186	(3,587)	299,599	3.0 %
Thai Baht	330,584	(2,946)	327,638	3.2 %
Turkish Lira	178,098	(235)	177,863	1.8 %
United States Dollar	1,714,056	4,699	1,718,755	16.9 %
Vietnam Dong	3,741	-	3,741	- %
Net Foreign Exchange Exposure	<u>\$ 10,184,293</u>	<u>\$ (2)</u>	<u>\$ 10,184,291</u>	<u>100.4 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	559,835	-	559,835	6.8 %
British Pound Sterling	17,590	-	17,590	0.2 %
Chilean Peso	46,107	-	46,107	0.6 %
Chinese Renminbi	896,502	-	896,502	10.8 %
Columbian Peso	4,266	-	4,266	0.1 %
Euro	147,015	-	147,015	1.8 %
Hong Kong Dollar	1,132,957	(384)	1,132,573	13.7 %
Hungarian Forint	50,178	-	50,178	0.6 %
Indian Rupee	1,224,141	-	1,224,141	14.8 %
Indonesian Rupiah	257,468	335	257,803	3.1 %
Korean Won	782,003	-	782,003	9.4 %
Malaysian Ringgit	118,004	-	118,004	1.4 %
Mexican Peso	221,860	916	222,776	2.7 %
Peruvian Sol	11,221	-	11,221	0.1 %
Philippine Peso	147,390	-	147,390	1.8 %
Polish Zloty	80,718	-	80,718	1.0 %
Singapore Dollar	87,900	-	87,900	1.1 %
South African Rand	309,364	(307)	309,057	3.7 %
Taiwan Dollar	263,589	-	263,589	3.2 %
Thai Baht	310,136	1,302	311,438	3.8 %
Turkish Lira	143,896	-	143,896	1.7 %
Vietnam Dong	11,081	-	11,081	0.1 %
United States Dollar	1,473,064	(1,862)	1,471,202	17.8 %
Net Foreign Exchange Exposure	\$ 8,296,285	\$ -	\$ 8,296,285	100.2 %

Financial Risk Management Discussion (continued)
as at December 31

As at December 31, 2017, 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 \$101,843,000 (2016 - \$82,963,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 1,066,398	11.1 %	\$ 834,562	10.4 %
Consumer Staple	1,360,618	14.1 %	1,335,370	16.6 %
Energy	388,453	4.0 %	504,301	6.3 %
Financial Services	2,571,542	26.8 %	2,126,291	26.4 %
Health Care	160,649	1.7 %	273,160	3.4 %
Industrial Products	510,211	5.3 %	454,390	5.6 %
Information Technology	2,080,357	21.6 %	1,551,494	19.2 %
Materials and Processing	674,963	7.0 %	529,517	6.6 %
Real Estate	224,393	2.3 %	-	- %
Telecommunication Services	304,728	3.2 %	251,667	3.1 %
Utilities	279,212	2.9 %	196,891	2.4 %
Total Equities	\$ 9,621,524	100.0 %	\$ 8,057,643	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$877,081,000 (2016 - \$744,721,000) or 8.6% (2016 - 9.0%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Belgium	40,999	0.4 %	33,886	0.4 %
Brazil	1,003,932	10.4 %	739,380	9.2 %
China	3,003,543	31.1 %	2,071,552	25.6 %
Hong Kong	157,846	1.6 %	161,275	2.0 %
India	1,567,169	16.3 %	1,398,099	17.4 %
Indonesia	320,003	3.3 %	257,895	3.2 %
Italy	4,870	0.1 %	39,130	0.5 %
Korea	728,166	7.6 %	780,765	9.7 %
Malaysia	158,610	1.6 %	107,515	1.3 %
Mexico	410,427	4.3 %	398,485	4.9 %
Netherlands	122,497	1.3 %	82,371	1.0 %
Philippines	121,540	1.3 %	146,393	1.8 %
Portugal	14,382	0.1 %	23,606	0.3 %
Russia	228,747	2.4 %	256,125	3.2 %
Singapore	148,297	1.5 %	62,422	0.8 %
Spain	5,092	0.1 %	6,958	0.1 %
Taiwan	458,823	4.8 %	402,422	5.0 %
Thailand	344,429	3.6 %	335,559	4.2 %
United Kingdom	40,070	0.4 %	127,825	1.6 %
United States	77,451	1.0 %	27,969	0.3 %
South Africa	186,328	1.9 %	198,282	2.5 %
Chile	90,527	0.9 %	75,895	0.9 %
Colombia	5,501	0.1 %	4,192	0.1 %
Peru	38,076	0.4 %	28,865	0.4 %
Turkey	177,500	1.8 %	143,689	1.8 %
Poland	80,183	0.8 %	80,718	1.0 %
Hungary	54,852	0.6 %	50,178	0.6 %
Argentina	27,923	0.3 %	5,111	0.1 %
United Arab Emirates	-	- %	11,081	0.1 %
Vietnam	3,741	- %	-	- %
Total Equities	\$ 9,621,524	100.0 %	\$ 8,057,643	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 9,621,524	\$ -	\$ 9,621,524
Money Market Funds	1,493	-	1,493
Floating Rate Funds	240,128	-	240,128
Total Investments	\$ 9,863,145	\$ -	\$ 9,863,145
Foreign Currency Contracts, Net	-	(2)	(2)
Swaps	-	10,070	10,070
Total	\$ 9,863,145	\$ 10,068	\$ 9,873,213

(in 000s)	December 31, 2016		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 8,057,643	\$ -	\$ 8,057,643
Money Market Funds	2,167	-	2,167
Total Investments	\$ 8,059,810	\$ -	\$ 8,059,810
Foreign Currency Contracts, Net	-	(6)	(6)
Total	\$ 8,059,810	\$ (6)	\$ 8,059,804

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	3	\$ 1,951,703	\$ 241,621

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	1	\$ 557,706	\$ 2,167

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 3,260	\$ 928
Dividends receivable		3,145	3,133
Security lending revenue receivable		33	32
Withholding taxes receivable		57	-
Derivative assets:			
Swaps		4,883	2,136
Investments		2,153,574	1,196,441
		<u>2,164,952</u>	<u>1,202,670</u>
Liabilities			
Payable for purchase of investments		1,636	-
BCI cost recoveries payable	4	489	107
Other accounts payable		243	49
Derivative liabilities:			
Swaps		2,956	1,521
		<u>5,324</u>	<u>1,677</u>
Net assets attributable to holders of redeemable units		<u>\$ 2,159,628</u>	<u>\$ 1,200,993</u>
<i>Number of redeemable units outstanding</i>	5	1,345.302	958.324
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,605</u>	<u>\$ 1,253</u>

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 2,440	\$ 1,483
Dividend income		29,289	29,059
Securities lending income		334	418
Foreign exchange gain (loss)		(2,386)	770
Change in fair value of investments and derivatives:	6		
Net realized gain		54,847	38,401
Net change in unrealized appreciation		269,957	23,348
Total revenue		<u>354,481</u>	<u>93,479</u>
Expenses:			
BCI cost recoveries	4	1,512	1,209
Administrative fees		559	803
Commissions and stock exchange fees		847	826
Withholding taxes	7	3,312	2,534
Total operating expenses		<u>6,230</u>	<u>5,372</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>348,251</u>	<u>88,107</u>
Distributions to holders of redeemable units:			
From net investment income		(24,448)	(26,125)
From net realized gains on investments and derivatives		(54,542)	(5,843)
		<u>(78,990)</u>	<u>(31,968)</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 269,261</u>	<u>\$ 56,139</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 1,200,993	\$ 987,886
Increase in net assets attributable to holders of redeemable units	269,261	56,139
Redeemable unit transactions:		
Proceeds from units issued	682,909	154,607
Reinvestment of distributions	78,990	31,968
Amounts paid for units redeemed	(72,525)	(29,607)
Net increase from redeemable unit transactions	689,374	156,968
Balance, end of year	\$ 2,159,628	\$ 1,200,993

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 269,261	\$ 56,139
Adjustments for:		
Foreign exchange (gain) loss	2,386	(770)
Interest income	(2,440)	(1,483)
Dividend income	(29,289)	(29,059)
Withholding taxes	3,312	2,534
Net realized gain from investments and derivatives	(54,847)	(38,401)
Net change in unrealized appreciation from investments and derivatives	(269,957)	(23,348)
Non cash distributions	78,990	31,968
Proceeds from sale of investments	437,810	347,036
Amounts paid for purchase of investments	(1,071,451)	(497,339)
Receivable from sale of investments	-	196
Security lending revenue receivable	(1)	7
Payable for purchase of investments	1,636	(556)
BCI cost recoveries payable	382	41
Other accounts payable	194	(168)
Interest received	2,440	1,483
Dividends received	29,277	28,281
Withholding taxes paid	(3,369)	(2,534)
	<u>(605,666)</u>	<u>(125,973)</u>
Financing activities:		
Proceeds from issue of redeemable units	682,909	154,607
Payments on redemption of redeemable units	(72,525)	(29,607)
	<u>610,384</u>	<u>125,000</u>
Net increase (decrease) in cash	4,718	(973)
Effect of exchange rate changes on cash	(2,386)	770
Cash, beginning of year	928	1,131
Cash, end of year	\$ 3,260	\$ 928

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Schedule of Investments

as at December 31
(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,937,714	\$ 1,559,607	\$ 1,014,126	\$ 918,638
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST2	272	272	324	324
LIBOR Floating Rate Fund	215,588	230,019	181,991	182,448
	<u>215,860</u>	<u>230,291</u>	<u>182,315</u>	<u>182,772</u>
Total Investments	<u>\$ 2,153,574</u>	<u>\$ 1,789,898</u>	<u>\$ 1,196,441</u>	<u>\$ 1,101,410</u>

Schedule of Foreign Currency Contracts

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

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	1	Jan 2018	HKD	<u>\$ (641)</u>	USD	<u>\$ 641</u>	<u>\$ -</u>

Schedule of Swaps

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

Date	Number of Contracts	Expiry Date	Description	Notional	Value	Unrealized Gain (Loss)
2017	4	Feb 2018	Equity Index	\$	92,146	\$ 4,883
2017	1	Feb 2018	Equity Index		107,346	(2,952)
2017	1	Mar 2018	Equity Index		26,110	(4)
						<u>(2,956)</u>
						<u>\$ 1,927</u>
Date	Number of Contracts	Expiry Date	Description	Notional	Value	Unrealized Gain (Loss)
2016	4	Feb 2017	Equity Index	\$	76,684	\$ 2,136
2016	1	Feb 2017	Equity Index		86,050	(1,463)
2016	1	Mar 2017	Equity Index		20,652	(58)
						<u>(1,521)</u>
						<u>\$ 615</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

The investment objective of the Indexed Emerging Markets Equity Fund (the Fund) is to provide clients with exposure to a portfolio of emerging market equity investments at a low fee. The objective of the Fund is to exceed the return of the Morgan Stanley Capital International (MSCI) Emerging Markets Net Index (the Index), the Fund's benchmark, by 30 basis points per annum, net of all investment expenses incurred. Investments in individual companies will be held in approximately the same proportion as their weighting in the Index, but BCI shall have discretion in determining the appropriate timing of implementing Index changes.

The Fund can hold the following securities:

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

The following restrictions apply to the Funds:

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

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

DERIVATIVE LIABILITIES (in 000s)	2017			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (127,294)	\$ (127,294)	\$ -	\$ (127,294)
Inflows	124,338	124,338	-	124,338
	<u>\$ (2,956)</u>	<u>\$ (2,956)</u>	<u>\$ -</u>	<u>\$ (2,956)</u>
DERIVATIVE LIABILITIES (in 000s)	2016			
	Carrying amount	Gross nominal in (out) flow	Less than 1 month	1 to 3 months
Outflows	\$ (106,736)	\$ (106,736)	\$ -	\$ (106,736)
Inflows	105,215	105,215	-	105,215
	<u>\$ (1,521)</u>	<u>\$ (1,521)</u>	<u>\$ -</u>	<u>\$ (1,521)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

Interest Rate Risk

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

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

Currency Risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 147,723	-	\$ 147,723	6.8 %
Chilean Peso	26,609	-	26,609	1.2 %
Chinese Renminbi	16	-	16	- %
Columbian Peso	8,504	-	8,504	0.4 %
Czech Koruna	3,974	-	3,974	0.2 %
Egyptian Pound	257	-	257	- %
Euro	7,252	-	7,252	0.3 %
Hong Kong Dollar	479,199	(641)	478,558	22.2 %
Hungarian Forint	7,060	-	7,060	0.3 %
Indian Rupee	189,222	-	189,222	8.8 %
Indonesian Rupiah	48,220	-	48,220	2.2 %
Korean Won	333,849	-	333,849	15.5 %
Malaysian Ringgit	50,608	-	50,608	2.3 %
Mexican Peso	63,171	-	63,171	2.9 %
Phillippine Peso	24,062	-	24,062	1.1 %
Pakistani Rupee	1,127	-	1,127	0.1 %
Polish Zloty	28,992	-	28,992	1.3 %
Qatari Rial	11,609	-	11,609	0.5 %
Russian Ruble	61,112	-	61,112	2.8 %
South African Rand	153,490	-	153,490	7.1 %
Taiwan Dollar	243,183	-	243,183	11.3 %
Thai Baht	48,974	-	48,974	2.3 %
Turkish Lira	23,374	-	23,374	1.1 %
United Arab Emirates Dirham	12,101	-	12,101	0.6 %
United States Dollar	186,423	641	187,064	8.7 %
Net Foreign Exchange Exposure	\$ 2,160,111	\$ -	\$ 2,160,111	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 92,507	-	\$ 92,507	7.7 %
Chilean Peso	14,326	-	14,326	1.2 %
Columbian Peso	5,510	-	5,510	0.5 %
Czech Koruna	1,799	-	1,799	0.1 %
Egyptian Pound	153	-	153	- %
Euro	4,425	-	4,425	0.4 %
Hong Kong Dollar	248,246	-	248,246	20.7 %
Hungarian Forint	3,709	-	3,709	0.3 %
Indian Rupee	99,719	-	99,719	8.3 %
Indonesian Rupiah	31,954	-	31,954	2.7 %
Korean Won	174,004	-	174,004	14.5 %
Malaysian Ringgit	30,690	-	30,690	2.6 %
Mexican Peso	42,508	-	42,508	3.5 %
Philippine Peso	14,598	-	14,598	1.2 %
Polish Zloty	13,653	-	13,653	1.1 %
Qatari Rial	10,628	-	10,628	0.9 %
South African Rand	84,576	-	84,576	7.0 %
Taiwan Dollar	146,809	-	146,809	12.2 %
Thai Baht	28,083	-	28,083	2.3 %
Turkish Lira	12,424	-	12,424	1.0 %
United Arab Emirates Dirham	9,289	-	9,289	0.8 %
United States Dollar	131,216	-	131,216	10.9 %
Net Foreign Exchange Exposure	\$ 1,200,826	\$ -	\$ 1,200,826	100.0 %

As at December 31, 2017, 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 \$21,600,000 (2016 - \$12,080,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 208,385	10.8 %	\$ 110,679	11.0 %
Consumer Staple	126,542	6.5 %	73,792	7.3 %
Energy	135,664	7.0 %	86,812	8.6 %
Financial Services	515,714	26.6 %	283,475	28.0 %
Health Care	54,566	2.8 %	26,496	2.6 %
Industrial Products	102,482	5.3 %	60,097	5.9 %
Information Technology	517,708	26.7 %	215,429	21.2 %
Materials and Processing	142,724	7.4 %	72,309	7.1 %
Telecommunication Services	89,511	4.6 %	57,231	5.6 %
Utilities	44,418	2.3 %	27,806	2.7 %
Total Equities	\$ 1,937,714	100.0 %	\$ 1,014,126	100.0 %

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$194,188,000 (2016 - \$105,704,000) or 9.0% (2016 - 8.8%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Brazil	\$ 146,635	7.6 %	\$ 91,638	9.0 %
Chile	26,572	1.4 %	14,269	1.4 %
China	639,819	33.0 %	316,128	31.2 %
Columbia	8,454	0.4 %	5,474	0.5 %
Czech Republic	1,813	0.1 %	79	- %
Egypt	2,167	0.1 %	1,534	0.2 %
Greece	7,178	0.4 %	4,412	0.4 %
Hungary	7,038	0.4 %	3,695	0.4 %
Hong Kong	-	- %	336	- %
India	188,978	9.8 %	99,652	9.8 %
Indonesia	17,216	0.9 %	4,996	0.5 %
Korea	331,565	17.1 %	171,843	17.0 %
Malaysia	18,651	1.0 %	3,110	0.3 %
Mexico	63,076	3.3 %	42,440	4.2 %
Pakistan	1,088	0.1 %	-	- %
Peru	8,269	0.4 %	4,713	0.5 %
Phillippines	24,021	1.2 %	14,574	1.4 %
Poland	28,973	1.5 %	13,628	1.3 %
Qatar	25,432	1.3 %	20,790	2.1 %
Russia	71,860	3.7 %	53,286	5.3 %
South Africa	153,385	7.9 %	84,557	8.3 %
Turkey	23,323	1.2 %	12,413	1.2 %
Taiwan	118,794	6.1 %	41,511	4.1 %
Thailand	20,751	1.1 %	5,386	0.5 %
United States	2,657	- %	3,662	0.4 %
Total Equities	<u>\$ 1,937,714</u>	<u>100.0 %</u>	<u>\$ 1,014,126</u>	<u>100.0 %</u>

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 1,937,714	\$ -	\$ 1,937,714
Money Market Funds	272	-	272
Floating Rate Funds	215,588	-	215,588
Total Investments	\$ 2,153,574	\$ -	\$ 2,153,574
Swaps	-	1,927	1,927
Total	<u>\$ 2,153,574</u>	<u>\$ 1,927</u>	<u>\$ 2,155,501</u>

(in 000s)	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 1,014,126	\$ -	\$ 1,014,126
Money Market Funds	324	-	324
Floating Rate Funds	181,991	-	181,991
Total Investments	\$ 1,196,441	\$ -	\$ 1,196,441
Swaps	-	615	615
Total	<u>\$ 1,196,441</u>	<u>\$ 615</u>	<u>\$ 1,197,056</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 6,298,367	\$ 215,860

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 4,558,173	\$ 182,315

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2017	December 31, 2016
Assets			
Cash		\$ 13,853	\$ 18,359
Receivable from sale of investments		51	-
Dividends receivable		515	958
Security lending revenue receivable		75	75
Withholding taxes receivable		290	224
Derivative assets:			
Swaps		417	-
Investments		1,403,833	1,176,779
		<u>1,419,034</u>	<u>1,196,395</u>
Liabilities			
Payable for purchase of investments		38	109
External management fees payable		525	1,113
BCI cost recoveries payable	4	1,190	273
Other accounts payable		40	6
		<u>1,793</u>	<u>1,501</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,417,241</u>	<u>\$ 1,194,894</u>
<i>Number of redeemable units outstanding</i>	5	751.069	750.487
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,887</u>	<u>\$ 1,592</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 403	\$ (1)
Dividend income		15,612	14,708
Securities lending income		1,040	722
Foreign exchange loss		(1,518)	(3,779)
Change in fair value of investments and derivatives:	6		
Net realized gain		125,611	29,511
Net change in unrealized appreciation (depreciation)		88,693	(45,721)
Total revenue (loss)		<u>229,841</u>	<u>(4,560)</u>
Expenses:			
BCI cost recoveries	4	4,331	3,037
External management fees		1,717	2,204
Administrative fees		107	146
Commissions and stock exchange fees		1,610	1,218
Withholding taxes	7	782	734
Total operating expenses		<u>8,547</u>	<u>7,339</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>221,294</u>	<u>(11,899)</u>
Distributions to holders of redeemable units:			
From net investment income		(9,969)	(5,192)
From net realized gains on investments and derivatives		(124,183)	(24,570)
		<u>(134,152)</u>	<u>(29,762)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 87,142</u>	<u>\$ (41,661)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

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

	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 1,194,894	\$ 1,303,195
Increase (decrease) in net assets attributable to holders of redeemable units	87,142	(41,661)
Redeemable unit transactions:		
Proceeds from units issued	84,053	1,504
Reinvestment of distributions	134,152	29,762
Amounts paid for units redeemed	(83,000)	(97,906)
Net increase (decrease) from redeemable unit transactions	135,205	(66,640)
Balance, end of year	\$ 1,417,241	\$ 1,194,894

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 87,142	\$ (41,661)
Adjustments for:		
Foreign exchange loss (gain)	1,518	3,779
Interest income	(403)	1
Dividend income	(15,612)	(14,708)
Withholding taxes	782	734
Net realized gain from investments and derivatives	(125,611)	(29,511)
Net change in unrealized (appreciation) depreciation from investments and derivatives	(88,693)	45,721
Non cash distributions	134,152	29,762
Proceeds from sale of investments	732,600	786,622
Amounts paid for purchase of investments	(745,767)	(700,865)
Receivable from sale of investments	(51)	7,721
Security lending revenue receivable	-	(42)
Payable for purchase of investments	(71)	(15,463)
External management fees payable	(588)	555
BCI cost recoveries payable	917	27
Other accounts payable	34	(55)
Interest received	403	(1)
Dividends received	16,055	14,372
Withholding taxes paid	(848)	(823)
	(4,041)	86,165
Financing activities:		
Proceeds from issue of redeemable units	84,053	1,504
Payments on redemption of redeemable units	(83,000)	(97,906)
	1,053	(96,402)
Net decrease in cash	(2,988)	(10,237)
Effect of exchange rate changes on cash	(1,518)	(3,779)
Cash, beginning of year	18,359	32,375
Cash, end of year	\$ 13,853	\$ 18,359

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

Schedule of Investments

as at December 31
(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,368,150	\$ 1,193,394	\$ 1,169,881	\$ 1,088,080
Direct Private Equity	4,800	7,500	6,500	6,500
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	39	38	41	41
Fund ST2	547	547	357	356
LIBOR Floating Rate Fund	30,297	32,276	-	-
	<u>30,883</u>	<u>32,861</u>	<u>398</u>	<u>397</u>
Total Investments	<u>\$ 1,403,833</u>	<u>\$ 1,233,755</u>	<u>\$ 1,176,779</u>	<u>\$ 1,094,977</u>

Schedule of Swaps

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

Date	Number of Contracts	Expiry Date	Description	Notional	Value	Unrealized Gain (Loss)
2017	1	May 2018	Equity Swap	\$	24,162	<u>\$ 417</u>

Schedule of Foreign Currency Contracts

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

Date	Number of Contracts	Expiry Date	Currency Code	Amount Sold	Currency Code	Amount Bought	Unrealized Gain (Loss)
2017	1	Jan 2017	JPY	(26)	USD	26	-
2017	1	Jan 2017	JPY	(26)	USD	26	-
2017	1	Jan 2017	JPY	(26)	USD	26	-
				<u>\$ (78)</u>		<u>\$ 78</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

The investment objective of the Thematic Public Equity Fund (the Fund) is to enhance clients' long-term returns by taking tactical positions relative to a market capitalization benchmark, the Morgan Stanley Capital International (MSCI) World ex-Canada Net index (the Index). The Fund also has a secondary benchmark, the Canadian Consumer Price Index plus 350 basis points over 4 years. The Fund provides clients with a concentrated portfolio based on long-term economic, social and environmental themes, exposure to a variety of developed and emerging markets, and market exposure globally across geographical lines, industry sectors, and market capitalizations. The Fund's financial characteristics and performance will differ significantly from the Index. The Fund's performance objective is to exceed the Index return by 150 basis points per annum, net of all investment expenses incurred, over a four year moving average.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of countries included in the Morgan Stanley International All Country World Constituent Index,
- exchange traded funds based on or correlated to the Index or a subset of the Index,
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval,
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management,
- money market securities rated A-1(Low) or better,
- units of BCI's Pooled Investment Portfolios Canadian Money Market Fund ST1, Canadian Money Market Fund ST2 and Canadian Money Market Fund ST3, and
- units in floating rate funds.

The following restrictions apply to the Fund:

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

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

Interest Rate Risk

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

Currency Risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 664	\$ -	\$ 664	- %
Brazilian Real	602	-	602	- %
British Pound Sterling	62,366	-	62,366	4.4 %
Chinese Renminbi	2,217	-	2,217	0.2 %
Danish Krone	29,617	-	29,617	2.1 %
Euro	241,193	-	241,193	17.0 %
Hong Kong Dollar	36,824	-	36,824	2.6 %
Japanese Yen	103,969	(78)	103,891	7.3 %
Korean Won	18,145	-	18,145	1.3 %
Malaysian Ringgit	1,867	-	1,867	0.1 %
Norwegian Krone	10,646	-	10,646	0.8 %
Singapore Dollar	1,164	-	1,164	0.1 %
Swedish Krona	370	-	370	- %
Swiss Franc	5,834	-	5,834	0.4 %
Taiwan Dollar	39,422	-	39,422	2.8 %
United States Dollar	858,293	78	858,371	60.6 %
Net Foreign Exchange Exposure	\$ 1,413,193	\$ -	\$ 1,413,193	99.7 %

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

CURRENCY (in 000s)	2016			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 262	\$ -	\$ 262	- %
British Pound Sterling	69,832	-	69,832	5.8 %
Danish Krone	31,415	-	31,415	2.6 %
Euro	151,614	-	151,614	12.7 %
Hong Kong Dollar	37,184	-	37,184	3.1 %
Indian Rupee	283	-	283	- %
Japanese Yen	107,870	-	107,870	9.0 %
Korean Won	10,157	-	10,157	0.9 %
Malaysian Ringgit	1,308	-	1,308	0.1 %
Norwegian Krone	12,400	-	12,400	1.0 %
Swiss Franc	1,415	-	1,415	0.1 %
Taiwan Dollar	44,628	-	44,628	3.7 %
Thai Baht	2,593	-	2,593	0.2 %
United States Dollar	715,474	-	715,474	59.9 %
Net Foreign Exchange Exposure	\$ 1,186,435	\$ -	\$ 1,186,435	99.3 %

As at December 31, 2017, 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 \$14,131,000 (2016 - \$11,864,000), representing 1.0% of the Fund's net assets (2016 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Public Equities				
Consumer Discretionary	\$ 192,090	14.0 %	\$ 145,570	12.4 %
Consumer Staple	80,195	5.8 %	86,506	7.4 %
Financial Services	57,117	4.2 %	-	- %
Health Care	275,912	20.1 %	192,610	16.4 %
Industrial Products	278,003	20.2 %	224,178	19.1 %
Information Technology	368,149	27.0 %	420,249	35.5 %
Materials and Processing	59,295	4.3 %	48,214	4.1 %
Telecommunication Services	546	- %	-	- %
Utilities	56,843	4.1 %	52,554	4.5 %
Total Public Equities	1,368,150	99.7 %	1,169,881	99.4 %
Financial Services - Direct Private				
Equity Investment	4,800	0.3 %	6,500	0.6 %
Total Equities	\$ 1,372,950	100.0 %	\$ 1,176,381	100.0 %

As at December 31, 2017 and 2016, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$136,864,000 (2016 - \$114,149,000) or 9.7% (2016 - 9.6%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2017 and 2016, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2017		2016	
	Total	% of Total	Total	% of Total
Public Equities				
Belgium	\$ 2,788	0.2 %	\$ 2,689	0.2 %
Brazil	596	- %	262	- %
China	49,443	3.6 %	46,354	3.9 %
Denmark	29,643	2.2 %	31,078	2.6 %
France	62,180	4.5 %	49,708	4.2 %
Germany	44,287	3.2 %	51,055	4.3 %
Hong Kong	1,491	0.1 %	637	0.1 %
India	-	- %	283	- %
Ireland	14,266	1.0 %	882	0.1 %
Israel	1,027	0.1 %	464	- %
Italy	29,016	2.1 %	10,098	0.9 %
Japan	103,979	7.6 %	107,317	9.1 %
Korea	18,110	1.3 %	10,148	0.9 %
Malaysia	1,854	0.1 %	1,297	0.1 %
Netherlands	30,616	2.2 %	-	- %
New Zealand	664	- %	-	- %
Norway	10,646	0.8 %	12,129	1.0 %
Singapore	1,164	0.1 %	-	- %
Spain	68,486	5.0 %	37,895	3.2 %
Sweden	370	- %	-	- %
Switzerland	5,827	0.4 %	1,383	0.1 %
Taiwan	40,191	2.9 %	45,734	3.9 %
Thailand	-	- %	2,593	0.2 %
United Kingdom	62,609	4.7 %	69,379	5.9 %
United States	788,369	57.6 %	688,496	58.7 %
Canada	528	- %	-	- %
Total Public Equities	1,368,150	99.7 %	1,169,881	99.4 %
United Kingdom - Direct Private				
Equity Investment	4,800	0.3 %	6,500	0.6 %
Total Equities	\$ 1,372,950	100.0 %	\$ 1,176,381	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

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

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

All fair value measurements noted in the tables below are recurring.

	December 31, 2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Public Equities	\$ 1,368,150	\$ -	\$ -	\$ 1,368,150
Direct Private Equity Investment	-	-	4,800	4,800
Money Market Funds	586	-	-	586
Floating Rate Funds	30,297			30,297
Total Investments	\$ 1,399,033	\$ -	\$ 4,800	\$ 1,403,833
Swap	-	417	-	417
Total	\$ 1,399,033	\$ 417	\$ 4,800	\$1,404,250

	December 31, 2016			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Public Equities	\$ 1,169,881	\$ -	\$ -	\$ 1,169,881
Direct Private Equity Investment	-	-	6,500	6,500
Money Market Funds	398	-	-	398
Total Investments	\$ 1,170,279	\$ -	\$ 6,500	\$ 1,176,779

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

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

	2017 (in 000s)	2016 (in 000s)
Opening Balance as at January 1	\$ 6,500	\$ 6,500
Total gains or losses recognized in profit or loss	(2,700)	-
Purchases	1,000	-
Sales	-	-
Closing Balance at December 31	\$ 4,800	\$ 6,500
Total unrealized gains or losses for the period included in profit or loss relating to level 3 investments held at the reporting date	\$ (2,700)	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 4,800	Market approach	EV multiple	4,800	The estimated fair value would increase (decrease) if the EV multiples were higher (lower).
2016					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 6,500	Market approach	EV multiple	6,500	The estimated fair value would increase (decrease) if the EV multiples were higher (lower).

Significant unobservable inputs are developed as follows:

Enterprise Value ("EV") 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. EV multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

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

Effects of Unobservable Input on Fair Value Measurement

The direct private equity investment is valued based on information received from the management of the investee.

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

The following table shows how the net assets attributable to holders of redeemable units would change if the valuation of the direct private equity investment was calculated by adjusting the investment's fair market value by 10%.

(in 000s)	2017	2016
Favourable	\$ 480	\$ 650
Unfavourable	\$ (480)	\$ (650)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	3	\$ 7,015,101	\$ 30,883

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 3,586,014	\$ 398

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ALL WEATHER FUND

Statement of Financial Position

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

	Note	December 31, 2017	December 31, 2016
Assets			
Investments		<u>\$ 2,111,882</u>	<u>\$ 2,018,631</u>
Liabilities			
BCI cost recoveries payable	4	<u>282</u>	<u>111</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,111,600</u></u>	<u><u>\$ 2,018,520</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>1,650.707</i>	<i>1,649.933</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,279</u></u>	<u><u>\$ 1,223</u></u>

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2017	Year Ended December 31, 2016
Revenue:			
Interest income		\$ 3	\$ 2
Change in fair value of investments:	6		
Net change in unrealized appreciation		<u>93,380</u>	<u>119,370</u>
Total revenue		<u>93,383</u>	<u>119,372</u>
Expenses:			
BCI cost recoveries	4	1,244	1,116
Administrative fees		<u>9</u>	<u>1</u>
Total operating expenses		<u>1,253</u>	<u>1,117</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 92,130</u></u>	<u><u>\$ 118,255</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ALL WEATHER FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Balance, beginning of year	\$ 2,018,520	\$ 1,899,245
Increase in net assets attributable to holders of redeemable units	92,130	118,255
Redeemable unit transactions:		
Proceeds from units issued	950	1,020
Net increase from redeemable unit transactions	950	1,020
Balance, end of year	\$ 2,111,600	\$ 2,018,520

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2017	Year Ended December 31, 2016
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 92,130	\$ 118,255
Adjustments for:		
Interest income	(3)	(2)
Net change in unrealized appreciation from investments	(93,380)	(119,370)
Proceeds from sale of investments	1,082	1,094
Amounts paid for purchase of investments	(953)	(1,023)
BCI cost recoveries payable	171	29
Other accounts payable	-	(5)
Interest received	3	2
	(950)	(1,020)
Financing activities:		
Proceeds from issue of redeemable units	950	1,020
	950	1,020
Net increase in cash	-	-
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ALL WEATHER FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2017		2016	
	Fair Value	Cost	Fair Value	Cost
Investment Fund Investments:	\$ 2,111,580	\$ 1,592,535	\$ 2,018,201	\$ 1,592,535
Money Market Investments:				
Units in BCI Pooled Investment Portfolio				
Fund ST1	302	302	430	431
Total Investments	\$ 2,111,882	\$ 1,592,837	\$ 2,018,631	\$ 1,592,966

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ALL WEATHER FUND

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

The Fund provides investment in a long term strategic allocation fund that attempts to balance its risk exposure across fundamental economic environments. The Fund holds shares of All Weather Portfolio Limited, whose assets are externally managed by Bridgewater Associates, LLC with oversight from BCI. Investments made by All Weather Portfolio Limited are made based on their risk profile to create a risk balanced portfolio weighted between various fundamental economic environments, in order to provide higher long term risk adjusted returns regardless of economic conditions. The external manager passively manages the assets, utilizing risk parity and diversifying assets by asset type, geographic location, investment size, and investment risk.

The benchmark of the Fund is a nominal rate of return of 6.5% in U.S. dollar terms. The objective of the Fund is to meet or exceed the benchmark return, net of all investment expenses incurred over the longer term.

The Fund can hold the following securities:

- Class B non-voting participating shares of All Weather Portfolio Limited or other similar assets managed by Bridgewater or its affiliates,
- units of BCI's Pooled Investment Portfolios: Canadian Money Market Fund ST1, Canadian Money Market Fund ST2 and U.S. Dollar Money Market Fund ST3,
- forward contracts for currency conversions and/or currency hedging, and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

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

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

Note 8 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The majority of the Fund's financial assets and liabilities are held in securities that are not subject to credit risk. The Fund has indirect exposure to credit risk through its investment in shares of All Weather Portfolio Limited, whose underlying investments are susceptible to credit risk. Such indirect exposure is managed by the external manager in conjunction with investment level decisions.

Liquidity Risk

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

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing, accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates. The Fund has indirect exposure to interest rate risk through its investment in shares of All Weather Portfolio Limited, whose underlying investments are susceptible to interest rate risk. Such indirect exposure is managed by the external manager in conjunction with their investment level decisions.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ALL WEATHER FUND

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

Currency Risk

The Fund holds net assets denominated in U.S. currency totalling \$ 2,111,580,000 CAD, which represents 100.00 % of the net asset value of the Fund (2016 - \$2,018,200,000 CAD which represented 99.98 % of the net asset value of the Fund). As at December 31, 2017, if the Canadian dollar had strengthened/ weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$ 21,116,000 (2016 - \$20,182,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material. The Fund also has indirect exposure to currency risk through its investment in shares of All Weather Portfolio Limited, whose underlying investments are susceptible to currency risk. Such indirect exposure is managed by the external manager in conjunction with their investment level decisions.

Other Price Risk

The Fund is subject to other price risk through its investment in shares of All Weather Portfolio Limited. The external manager utilizes risk parity and asset diversification to moderate this risk. The expected impact on the net assets of the Fund of a 10% increase/decrease in the value of the All Weather Portfolio Limited over the next year, would be an increase/decrease, respectively, of \$ 211,158,000 (2016 - \$ 201,820,000), representing 10 % (2016 - 10 %) of the Fund's net assets. This forecast is based on the Fund's actual holdings, and assuming all other variables are held constant. Actual results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

The shares of All Weather Portfolio Limited are exposed to the U.S. market. The Fund has indirect exposure to other regions through the underlying investments of All Weather Portfolio Limited.

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

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

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

All fair value measurements noted in the tables below are recurring.

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Investment Fund Investment	\$ 2,111,580	\$ -	\$ 2,111,580
Money Market Funds	302	-	302
Total Investments	<u>\$ 2,111,882</u>	<u>\$ -</u>	<u>\$ 2,111,882</u>

(in 000s)	December 31, 2016		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Investment Fund Investment	\$ 2,018,201	\$ -	\$ 2,018,201
Money Market Funds	430	-	430
Total Investments	<u>\$ 2,018,631</u>	<u>\$ -</u>	<u>\$ 2,018,631</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ALL WEATHER FUND

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

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

During 2017 and 2016, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2017 and 2016, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured entities are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining these investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by external manager	1	\$ 33,632,620	\$ 2,111,580
Investee funds administered by BCI	1	923,691	302

Entity	December 31, 2016		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by external manager	1	\$ 31,214,584	\$ 2,018,201
Investee funds administered by BCI	1	557,706	430

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 31, 2017

1. The Portfolios

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 750 Pandora Avenue, Victoria, British Columbia, Canada. These financial statements have been prepared by BCI and are the responsibility of BCI management.

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (the "Regulations"), 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 (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 BCI and invested by the Chief Investment Officer of BCI.

The Funds were established on the following dates:

Pooled Investment Portfolios	Dates Established		Pooled Investment Portfolios	Dates Established
Canadian Money Market Fund ST1	April 21, 1986		Canadian Quantitative Active Equity Fund (formerly Enhanced Indexed Canadian Equity Fund)	November 27, 2002
Canadian Money Market Fund ST2	September 19, 1986		Indexed Canadian Equity Fund	December 12, 1989
U.S. Dollar Money Market Fund ST3	August 1, 1990		Active U.S. Small Cap Equity Fund	March 13, 2008
CDOR Floating Rate Fund	March 13, 2017		Indexed U.S. Equity Fund	February 6, 1995
LIBOR Floating Rate Fund	February 26, 2016		Active Asian Equity Fund	January 2, 1998
Short Term Bond Fund	November 1, 1995		Active European Equity Fund	January 2, 1998
Canadian Universe Bond Fund	April 20, 2006		Active Global Equity Fund	June 19, 2009
Canadian Real Return Bond Fund	April 9, 2010		Global Quantitative Active Equity Fund (formerly Enhanced Indexed Global Equity Fund)	August 23, 2011
High Yield Bond Fund	January 8, 2016		Indexed Global Equity Fund	December 7, 2011
Global Government Bond Fund	October 30, 2009		Indexed Global ESG Equity Fund	January 17, 2013
Fixed Term Mortgage Fund	June 30, 1995		Active Emerging Markets Equity Fund	March 31, 2008
Construction Mortgage Fund	December 1, 1995		Indexed Emerging Markets Equity Fund	July 31, 2013
Active Canadian Equity Fund	July 26, 1990		Thematic Public Equity Fund	December 31, 2012
Active Canadian Small Cap Equity Fund	March 20, 2008		All Weather Fund	September 1, 2013

The CDOR Floating Rate Fund was established in 2017, therefore no comparative information has been presented in the respective financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2017

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 5, 2018.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for investments and derivatives, which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars which is the Funds' functional currency, except for the U.S. Dollar Money Market Fund ST3 and LIBOR Floating Rate Fund, each of which is presented in U.S. dollars and whose functional currency is U.S. dollars.

(d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

(e) Comparative information

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2017

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition and measurement

Financial instruments are required to be classified into one of the following categories: held-for-trading, designated at fair value through profit or loss ("FVTPL"), available-for-sale, loans and receivables, assets held-to-maturity, and other financial liabilities. All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as held-for-trading or fair value through profit or loss in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities held for trading or at fair value through profit or loss are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

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

The Funds have not classified any of their financial instruments as available-for-sale or assets held to maturity.

(ii) Held-for-trading and fair value through profit and loss

Financial instruments classified as held-for-trading or FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Funds' derivative financial assets and derivative financial liabilities are classified as held-for-trading. The Funds' investments in securities are designated as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds use the last traded market price for both financial assets and financial liabilities where the last traded price falls within that day's bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, BCI determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including certain complex derivative instruments, is determined using valuation techniques. Valuation techniques also include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of BCI, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2017

3. Significant accounting policies (continued)

(iii) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement of loans and receivables is at amortized cost using the effective interest method, less any impairment losses. Interest income is recognized by applying the effective interest rate. The Funds classify cash, dividends receivable, interest receivable, accounts receivable, receivable from sale of investments, and receivable from issue of units as loans and receivables.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iv) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The Funds' other financial liabilities are comprised of accounts payable, other accounts payable, payable for purchase of investments, payable for redemption of units, external management fees payable, interest payable and BCI cost recoveries payable.

(b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the Regulations, each Fund is required to distribute, to unitholders of the respective Fund's redeemable units, the taxable income and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of BCI.

(c) Issue and redemption of units

Participation in each Fund is expressed in units. The initial value of a unit of a Fund on inception is \$1 million (\$U.S. 1 million for the U.S. Dollar Money Market Fund ST3 and the LIBOR Floating Rate Fund). For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis. All of the Funds were open-ended Funds throughout the year where the number of units available for issue was unlimited and the proportion of units issued or redeemed by each client on a particular valuation date depended on changes to their desired asset allocation.

(d) Foreign exchange

These financial statements are denominated in Canadian dollars except for the U.S. Dollar Money Market Fund ST3 and the LIBOR Floating Rate Fund. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars (U.S. dollars for the U.S. Dollar Money Market Fund ST3 and the LIBOR Floating Rate Fund) using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2017

3. Significant accounting policies (continued)

(e) Revenue recognition

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments. Commissions, stock exchange fees and other identifiable transaction costs that are directly attributable to the acquisition or disposal of an investment are expensed as incurred. Pursuit costs are charged to net income of the respective Funds in the period incurred.

(f) Securities lending

Securities lending contracts are entered into for the temporary delivery of securities to a borrower in exchange for different securities having a higher market value (collateral), with an obligation for the borrower to redeliver the same quantity of the original securities lent at a future date. The lender receives a fee from the borrower, and retains the rights to receive equivalent interest payments or dividends from the loaned securities. The Funds continue to recognize the securities in their entirety in the statement of financial position as the Funds retain all of the risks and rewards of ownership. Securities lending income is recognized over the term of the arrangement. The credit risk related to securities lending transactions is limited by the fact that the value of securities held as collateral by the Funds is at least 105% of the market value of the securities loaned.

(g) Income taxes

The Funds qualify as inter-vivos trusts under section 108(1) of the *Income Tax Act (Canada)*. All of the Funds' net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes. Income taxes associated with any of the Funds' underlying investments are accounted for in determining the fair value of the respective investments.

(h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended December 31, 2017, 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 its requirements and represent a significant change from the existing requirements in IAS 39, *Financial Instruments: Recognition and Measurement*, in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. A financial asset would be measured at amortized cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard eliminates the existing IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables.

The Funds intend to adopt the amended standards effective January 1, 2018. The adoption is not expected to have a material impact on the Funds' financial statements and no adjustments on transition are expected.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 31, 2017

4. Related party transactions

Third party costs that are attributable to a specific Fund are charged to that Fund. Other costs initially borne by BCI are recovered from the various Funds. BCI cost recoveries and the corresponding payable are disclosed in each Fund's statement of comprehensive income and statement of financial position, respectively.

The Investment Fund held in the High Yield Bond Fund is managed by an entity controlled by the 2016 Private Placement Fund, an entity managed by BCI, and is thus related to the Fund. The Fund enters into investment transactions with such related parties in the normal course of its business on the same terms as unrelated investors.

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. BCI manages the capital of each Fund in accordance with the respective Fund's investment objectives, including managing the redeemable units to ensure a stable base to maximize returns to all investors, and managing liquidity in order to meet redemptions. The following is a summary of the changes in redeemable units outstanding during the period ended:

	CANADIAN MONEY MARKET FUND ST1		CANADIAN MONEY MARKET FUND ST2		U.S. DOLLAR MONEY MARKET FUND ST3		CDOR FLOATING RATE FUND
	2017	2016	2017	2016	2017	2016	2017
Outstanding, beginning of period	147.972	733.327	753.903	1,358.113	77.828	61.367	(note 1) -
Issued for cash	7,533.774	6,757.579	2,633.869	3,154.996	1,081.778	732.157	3,762.964
Issued on reinvestment of distributions	2.714	2.157	9.877	8.207	0.708	0.023	14.651
Consolidation of units	(2.714)	(2.157)	(9.877)	(8.207)	(0.708)	(0.023)	(14.651)
Redeemed	(7,438.404)	(7,342.934)	(2,087.477)	(3,759.206)	(1,083.595)	(715.696)	(812.822)
Outstanding, end of period	243.342	147.972	1,300.295	753.903	76.011	77.828	2,950.142

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED DECEMBER 31, 2017

5. Redeemable units (continued)

	LIBOR FLOATING RATE FUND		SHORT TERM BOND FUND		CANADIAN UNIVERSE BOND FUND		CANADIAN REAL RETURN BOND FUND	
	2017	2016	2017	2016	2017	2016	2017	2016
Outstanding, beginning of period	1,132.254	-	1,326.724	630.906	7,348.694	7,659.537	2,248.818	2,532.376
Issued for cash	442.363	1,139.743	239.071	955.454	3,209.399	326.973	327.726	-
Issued on reinvestment of distributions	14.451	5.150	7.959	11.006	196.317	349.590	51.311	83.577
Consolidation of units	(14.451)	(5.150)	(7.959)	(11.006)	(196.317)	(349.590)	(51.311)	(83.577)
Redeemed	(935.175)	(7.489)	(1,080.873)	(259.636)	(592.073)	(637.816)	(1,469.152)	(283.558)
Outstanding, end of period	639.442	1,132.254	484.922	1,326.724	9,966.020	7,348.694	1,107.392	2,248.818

	HIGH YIELD BOND FUND		GLOBAL GOVERNMENT BOND FUND		FIXED TERM MORTGAGE FUND		CONSTRUCTION MORTGAGE FUND	
	2017	2016	2017	2016	2017	2016	2017	2016
Outstanding, beginning of period	819.625	-	574.555	574.555	393.507	411.475	274.526	247.140
Issued for cash	101.751	1,079.276	-	-	43.035	74.378	95.018	87.961
Issued on reinvestment of distributions	49.191	73.149	10.379	39.095	14.724	16.151	8.729	7.700
Consolidation of units	(49.191)	(73.149)	(10.379)	(39.095)	(14.724)	(16.151)	(8.729)	(7.700)
Redeemed	(31.867)	(259.651)	-	-	(51.518)	(92.346)	(69.733)	(60.575)
Outstanding, end of period	889.509	819.625	574.555	574.555	385.024	393.507	299.811	274.526

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2017

5. Redeemable units (continued)

	ACTIVE CANADIAN EQUITY FUND		ACTIVE CANADIAN SMALL CAP EQUITY FUND		CANADIAN QUANTITATIVE ACTIVE EQUITY FUND		INDEXED CANADIAN EQUITY FUND	
	2017	2016	2017	2016	2017	2016	2017	2016
Outstanding, beginning of period	349.475	305.552	320.531	293.395	814.386	1,123.225	1,296.645	1,071.829
Issued for cash	21.452	46.131	97.576	30.900	33.688	2.036	91.284	332.415
Issued on reinvestment of distributions	16.701	9.739	16.098	14.316	133.732	52.135	147.471	38.388
Consolidation of units	(16.701)	(9.739)	(16.098)	(14.316)	(133.732)	(52.135)	(147.471)	(38.388)
Redeemed	(8.340)	(2.208)	-	(3.764)	(33.546)	(310.875)	(448.288)	(107.599)
Outstanding, end of period	362.587	349.475	418.107	320.531	814.528	814.386	939.641	1,296.645

	ACTIVE U.S. SMALL CAP EQUITY FUND		INDEXED U.S. EQUITY FUND		ACTIVE ASIAN EQUITY FUND		ACTIVE EUROPEAN EQUITY FUND	
	2017	2017	2017	2016	2017	2016	2017	2016
Outstanding, beginning of period	495.937	445.925	963.436	997.539	1,469.135	1,467.466	1,350.781	1,668.633
Issued for cash	0.166	50.012	98.188	211.055	65.632	16.155	111.217	5.105
Issued on reinvestment of distributions	65.324	29.109	131.382	105.982	279.322	79.301	84.752	42.833
Consolidation of units	(65.324)	(29.109)	(131.382)	(105.982)	(279.322)	(79.301)	(84.752)	(42.833)
Redeemed	(170.649)	-	(411.880)	(245.158)	(855.004)	(14.486)	(640.651)	(322.957)
Outstanding, end of period	325.454	495.937	649.744	963.436	679.763	1,469.135	821.347	1,350.781

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5. Redeemable units (continued)

	ACTIVE GLOBAL EQUITY FUND		GLOBAL QUANTITATIVE ACTIVE EQUITY FUND		INDEXED GLOBAL EQUITY FUND		INDEXED GLOBAL ESG EQUITY FUND	
	2017	2016	2017	2016	2017	2016	2017	2016
Outstanding, beginning of period	1,635.616	1,633.954	1,183.165	1,183.165	1,590.439	967.914	1,858.167	1,858.167
Issued for cash	24.990	1.662	1.162	-	3,759.839	722.374	-	-
Issued on reinvestment of distributions	122.787	81.356	172.317	66.261	139.510	57.249	63.135	89.158
Consolidation of units	(122.787)	(81.356)	(172.317)	(66.261)	(139.510)	(57.249)	(63.135)	(89.158)
Redeemed	(339.510)	-	-	-	(851.685)	(99.849)	-	-
Outstanding, end of period	<u>1,321.096</u>	<u>1,635.616</u>	<u>1,184.327</u>	<u>1,183.165</u>	<u>4,498.593</u>	<u>1,590.439</u>	<u>1,858.167</u>	<u>1,858.167</u>

	ACTIVE EMERGING MARKETS EQUITY FUND		INDEXED EMERGING MARKETS EQUITY FUND		THEMATIC PUBLIC EQUITY FUND		ALL WEATHER FUND	
	2017	2016	2017	2016	2017	2016	2017	2016
Outstanding, beginning of period	6,282.642	5,906.766	958.324	845.437	750.487	817.672	1,649.933	1,649.063
Issued for cash	481.200	375.876	434.588	136.497	47.411	0.991	0.774	0.870
Issued on reinvestment of distributions	553.348	132.384	50.848	26.616	71.272	18.912	-	-
Consolidation of units	(553.348)	(132.384)	(50.848)	(26.616)	(71.272)	(18.912)	-	-
Redeemed	(610.901)	-	(47.610)	(23.610)	(46.829)	(68.176)	-	-
Outstanding, end of period	<u>6,152.941</u>	<u>6,282.642</u>	<u>1,345.302</u>	<u>958.324</u>	<u>751.069</u>	<u>750.487</u>	<u>1,650.707</u>	<u>1,649.933</u>

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6. Net gain (loss) from financial instruments at fair value through profit or loss

Pooled Investment Portfolios (in \$000s)	2017					
	Net Gain (Loss) from Financial Instruments Held for Trading – Derivative Financial Instruments	Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss – Investments	Total Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss	Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss		
				Realized	Unrealized	Total
Canadian Money Market Fund ST1	-	(82)	(82)	6	(88)	(82)
Canadian Money Market Fund ST2	-	473	473	830	(357)	473
U.S. Dollar Money Market Fund ST3	-	(16)	(16)	-	(16)	(16)
CDOR Floating Rate Fund	42	6,128	6,170	2,083	4,087	6,170
LIBOR Floating Rate Fund	(13)	1,082	1,069	1,704	(635)	1,069
Short Term Bond Fund	-	(5,186)	(5,186)	(7,765)	2,579	(5,186)
Canadian Universe Bond Fund	-	52,050	52,050	12,943	39,107	52,050
Canadian Real Return Bond Fund	-	(41,325)	(41,325)	51,985	(93,310)	(41,325)
Global Government Bond Fund	(5,463)	10,372	4,909	4,057	852	4,909
High Yield Bond Fund	(1,937)	(28,839)	(30,776)	13,711	(44,487)	(30,776)
Fixed Term Mortgage Fund	-	(37,308)	(37,308)	(67)	(37,241)	(37,308)
Construction Mortgage Fund	-	43,736	43,736	33,354	10,382	43,736
Active Canadian Equity Fund	9	223,861	223,870	108,169	115,701	223,870
Active Canadian Small Cap Equity Fund	(1)	78,597	78,596	25,442	53,154	78,596
Canadian Quantitative Active Equity Fund	-	206,935	206,935	476,156	(269,221)	206,935
Indexed Canadian Equity Fund	69,651	472,209	541,860	970,197	(428,337)	541,860
Active U.S. Small Cap Equity Fund	(957)	101,489	100,532	223,795	(123,263)	100,532
Indexed U.S. Equity Fund	7,532	872,998	880,530	1,227,034	(346,504)	880,530
Active Asian Equity Fund	4,348	1,069,789	1,074,137	1,039,609	34,528	1,074,137
Active European Equity Fund	222	504,383	504,605	635,138	(130,533)	504,605
Active Global Equity Fund	2,578	459,616	462,194	271,688	190,506	462,194
Global Quantitative Active Equity Fund	30,674	334,191	364,865	412,752	(47,887)	364,865
Indexed Global Equity Fund	289,948	561,381	851,329	524,025	327,304	851,329
Indexed Global ESG Equity Fund	(236)	383,617	383,381	41,948	341,433	383,381
Active Emerging Markets Equity Fund	16,090	2,070,609	2,086,699	809,597	1,277,102	2,086,699
Indexed Emerging Markets Equity Fund	46,977	277,827	324,804	54,847	269,957	324,804
Thematic Public Equity Fund	5,500	208,804	214,304	125,611	88,693	214,304
All Weather Fund	-	93,380	93,380	-	93,380	93,380

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6. Net gain (loss) from financial instruments at fair value through profit or loss (continued)

Pooled Investment Portfolios (in \$000s)	2016					
	Net Gain (Loss) from Financial instruments Held for Trading – Derivative Financial Instruments	Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss – Investments	Total Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss	Net Gain (Loss) from Financial Assets Designated at Fair Value Through Profit or Loss		
				Realized	Unrealized	Total
Canadian Money Market Fund ST1	-	24	24	17	7	24
Canadian Money Market Fund ST2	-	897	897	522	375	897
U.S. Dollar Money Market Fund ST3	-	1	1	1	-	1
LIBOR Floating Rate Fund	(79)	230,060	229,981	90,136	139,845	229,981
Short Term Bond Fund	-	(23,170)	(23,170)	5,174	(28,344)	(23,170)
Canadian Universe Bond Fund	-	(10,642)	(10,642)	322,587	(333,229)	(10,642)
Canadian Real Return Bond Fund	-	(2,687)	(2,687)	31,954	(34,641)	(2,687)
Global Government Bond Fund	(6,680)	21,794	15,114	32,333	(17,219)	15,114
High Yield Bond Fund	(1,129)	72,996	71,867	37,194	34,673	71,867
Fixed Term Mortgage Fund	-	(25,580)	(25,580)	18	(25,598)	(25,580)
Construction Mortgage Fund	-	43,807	43,807	29,734	14,073	43,807
Active Canadian Equity Fund	-	480,251	480,251	19,961	460,290	480,251
Active Canadian Small Cap Equity Fund	-	64,423	64,423	20,887	43,536	64,423
Canadian Quantitative Active Equity Fund	11	436,129	436,140	135,285	300,855	436,140
Indexed Canadian Equity Fund	-	1,351,992	1,351,992	5,213	1,346,779	1,351,992
Active U.S. Equity Fund	4,609	(90,656)	(86,047)	484,560	(570,607)	(86,047)
Active U.S. Small Cap Equity Fund	(79)	230,060	229,981	90,136	139,845	229,981
Indexed U.S. Equity Fund	38,738	396,453	435,191	673,215	(238,024)	435,191
Active Asian Equity Fund	(736)	73,402	72,666	165,213	(92,547)	72,666
Active European Equity Fund	300	(196,549)	(196,249)	161,822	(358,071)	(196,249)
Active Global Equity Fund	(240)	(127,783)	(128,023)	109,186	(237,209)	(128,023)
Global Quantitative Active Equity Fund	(284)	5,621	5,337	104,144	(98,807)	5,337
Indexed Global Equity Fund	891	121,243	122,134	63,337	58,797	122,134
Indexed Global ESG Equity Fund	431	39,163	39,594	72,267	(32,673)	39,594
Active Emerging Markets Equity Fund	(6,536)	(14,264)	(20,800)	73,682	(94,482)	(20,800)
Indexed Emerging Markets Equity Fund	18,592	43,157	61,749	38,401	23,348	61,749
Thematic Public Equity Fund	1,616	(17,826)	(16,210)	29,511	(45,721)	(16,210)
All Weather Fund	-	119,370	119,370	-	119,370	119,370

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7. Withholding tax expense

Certain dividend income received by the Funds is subject to withholding tax imposed in the country of origin. During the period, the weighted average withholding tax rate for each of the Funds that paid withholding tax was as follows:

Pooled Investment Portfolios	2017	2016
Active U.S. Small Cap Equity Fund	0.20 %	0.08 %
Indexed U.S. Equity Fund	- %	- %
Active Asian Equity Fund	7.77 %	6.95 %
Active European Equity Fund	10.36 %	13.75 %
Active Global Equity Fund	6.25 %	5.30 %
Global Quantitative Active Equity Fund	4.44 %	4.92 %

Pooled Investment Portfolios	2017	2016
Indexed Global Equity Fund	3.58 %	4.80 %
Indexed Global ESG Equity Fund	4.38 %	3.98 %
Active Emerging Markets Equity Fund	11.77 %	8.44 %
Indexed Emerging Markets Equity Fund	11.31 %	8.72 %
Thematic Public Equity Fund	5.01 %	4.99 %

8. Financial risk management

(a) Risk management framework

Each Fund has its own investment objectives. The Funds' overall risk management program seeks to minimize the potentially adverse effect of risk on the Funds' financial performance in a manner consistent with the Funds' investment objectives. In the normal course of business, each Fund is exposed to financial risks including credit risk, liquidity risk, and market risk (including interest rate risk, currency risk and other price risk). The level of risk varies depending on the investment objective of the Fund and the type of investments it holds.

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8. Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets, cash and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the statements of financial position reflects the Fund's maximum exposure to credit risk.

BCI management monitors credit risk through an internal credit manager program detailing the credit rating of all credit-sensitive financial securities held in money market and bond pooled funds. Credit risk monitoring entails an evaluation of the credit quality of each issuer and counterparty that transacts with the Funds. To perform this evaluation, BCI management relies on ratings from three recognized credit rating agencies for very short term exposure to counterparties such as brokers. For direct holdings of issuer debt in the long and short term Funds, BCI conducts its own independent credit reviews. Credit reviews are monitored on a quarterly basis through an established credit committee.

To avoid undue credit risk, the Funds have established specific investment criteria, such as minimum credit ratings for investees and counterparties. Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving derivative contracts and securities lending. In order to minimize counterparty risk, counterparties are required to provide adequate collateral and meet minimum credit rating requirements. BCI 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 in the notes specific to each Fund.

(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. BCI'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 BCI Money Market Funds are expected to be highly liquid. BCI 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 attempts to ensure that sufficient cash reserves are available to meet forecasted cash outflows.

See additional discussion of liquidity risk in the Financial Risk Management Discussion in the notes specific to each Fund.

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8. Financial risk management (continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of its holdings of financial instruments. Each Fund's strategy for the management of market risk is driven by the Fund's investment objective. Investment objectives for the Funds are outlined in the notes specific to each Fund.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates.

The money market investments, bonds, and mortgages are subject to interest rate risk. The Funds that hold these investments have established duration bands based on their relevant benchmarks to avoid undue active interest rate risk. Money market funds invest in short-term investments and have very low interest rate risk.

See additional discussion of interest rate risk in the Financial Risk Management Discussion in the notes specific to each Fund.

(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 in the notes specific to each Fund.

(iii) Other price risk

Other price risk is the risk that the fair value of a 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. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk. BCI management monitors active price risk on a monthly basis. Tracking error and beta statistics for all equity Funds are compiled to review that the level of risk is consistent with each Fund's objective.

See additional discussion of other price risk in the Financial Risk Management Discussion in the notes specific to each Fund.

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9. 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 in the notes specific to each Fund.

(b) Valuation models

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds use widely recognized valuation methods for determining the fair value of common and more simple financial instruments such as foreign currency contracts and money market instruments that use only observable market data which requires little management judgment and estimation. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exists and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, money market prices, and foreign currency exchange rates in estimating valuations of foreign currency contracts.

Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

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9. Fair value of financial instruments (continued)

(c) Valuation framework

When third party information, such as broker quotes or pricing services, is used to measure fair value, then management assesses and documents the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- ◆ verifying that the broker or pricing service is approved by the Funds for use in pricing the relevant type of financial instrument;
- ◆ understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- ◆ when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- ◆ if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

(d) Financial instruments not measured at fair value

The carrying value of cash, receivable from sale of investments, receivable from issuance of units, dividends receivable, interest receivable, other receivables, payable for purchase of investments, payable for redemption of units, BCI cost recoveries 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.

10. Taxes

Net cumulative capital losses and non-capital losses for each Fund having such losses are as follows:

Pooled Investment Portfolios (in \$000s)	As of December 31, 2017	
	Net Capital Losses	Non-capital Losses
U.S. Dollar Money Market Fund ST3	-	3
Short Term Bond Fund	3,883	-
Fixed Term Mortgage Fund	525	-
Construction Mortgage Fund	31	-
All Weather	109,162	3,615

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income. The non-capital losses of the U.S.Dollar Money Market Fund ST3 expire between 2026 and 2037 and the non-capital losses of the All Weather Fund expire between 2033 and 2037.

By order of the British Columbia Supreme Court, and affirmed on appeal by the British Columbia Court of Appeal, the investment pools managed by BCI have been declared to be immune from the application of the Excise Tax Act. Those same pools have been declared to be bound to certain reciprocal tax treaties between Canada and British Columbia which may require them to pay amounts in lieu of GST and which may entitle them to obtain full refunds of any amounts paid.

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11. Securities subject to lending arrangements

The fair value of securities on loan at December 31 and percentage of securities on loan for the Funds was as follows:

Pooled Investment Portfolios	Fair Value of Securities on Loan (in \$000s)		Percentage of securities on loan	
	2017	2016	2017	2016
Canadian Money Market Fund ST2	215,927	205	4.1 %	- %
Short Term Bond Fund	407,983	357,167	32.4	10.3
Canadian Universe Bond Fund	2,852,761	587,809	16.0	4.6
Canadian Real Return Bond Fund	6,647	-	0.4	-
High Yield Bond Fund	320	161,467	-	25.8
Global Government Bond Fund	245,128	155,631	36.6	23.6
Active Canadian Equity Fund	319,897	333,250	7.4	8.7
Active Canadian Small Cap Equity Fund	160,999	62,383	18.4	10.3
Canadian Quantitative Active Equity Fund	-	333,412	-	11.5
Indexed Canadian Equity Fund	693,987	1,059,253	9.7	10.9
Active U.S. Small Cap Equity Fund	223,812	256,605	20.9	16.8
Indexed U.S. Equity Fund	486,880	693,586	7.0	7.6
Active Asian Equity Fund	218,831	255,200	8.3	5.9
Active European Equity Fund	86,914	199,398	4.3	7.3
Active Global Equity Fund	344,467	314,065	10.9	9.4
Global Quantitative Active Equity Fund	172,007	321,942	5.7	11.4
Indexed Global Equity Fund	458,728	116,488	5.1	5.4
Indexed Global ESG Equity Fund	321,863	355,511	8.1	10.2
Active Emerging Markets Equity Fund	522,831	299,624	5.4	3.7
Indexed Emerging Markets Equity Fund	177,650	33,480	9.2	3.3
Thematic Public Equity Fund	281,535	145,403	20.6	12.4

12. Subsequent events

All Weather Fund

On March 28, 2018, the Fund sold its Investment Fund investment following a BCI decision to liquidate the remaining assets of the Fund and distribute the net assets to the holders of redeemable units.



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

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