



Public Equity - Pooled Fund Financial Statements

DECEMBER 2018

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

PUBLIC EQUITY - POOLED INVESTMENT PORTFOLIOS

GROUP OF FUNDS

Active Canadian Equity Fund
Active Canadian Small Cap Equity Fund
Canadian Quantitative Active 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
Indexed Global Equity Fund
Indexed Global ESG Equity Fund
Active Emerging Markets Equity Fund
Indexed Emerging Markets Equity Fund
Thematic Public Equity Fund

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

**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 year ended December 31, 2018:

Active Canadian Equity Fund	Active Global Equity Fund
Active Canadian Small Cap Equity Fund	Global Quantitative Active Equity Fund
Canadian Quantitative Active Equity Fund	Indexed Global Equity Fund
Indexed Canadian Equity Fund	Indexed Global ESG Equity Fund
Active U.S. Small Cap Equity Fund	Active Emerging Markets Equity Fund
Indexed U.S. Equity Fund	Indexed Emerging Markets Equity Fund
Active Asian Equity Fund	Thematic Public Equity Fund
Active European Equity 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

Victoria, British Columbia
April 4, 2019



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Canada
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INDEPENDENT AUDITORS' REPORT

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

Active Canadian Equity Fund
Active Canadian Small Cap Equity Fund
Canadian Quantitative Active 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
Indexed Global Equity Fund
Indexed Global ESG Equity Fund
Active Emerging Markets Equity Fund
Indexed Emerging Markets Equity Fund
Thematic Public Equity Fund
(collectively, the "Funds")

Opinion

We have audited the financial statements of the Funds, which comprise:

- the statements of financial position as at December 31, 2018
- the statements of comprehensive income/(loss) for the year then ended
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2018, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

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

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

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

Responsibilities of The Manager and Those Charged with Governance for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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.

In preparing the financial statements, the Manager is responsible for assessing the Funds’ abilities to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds’ financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.



Chartered Professional Accountants

Vancouver, Canada
April 4, 2019

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, 2018	December 31, 2017
Assets			
Cash		\$ 90,934	\$ 40,645
Receivable from sale of investments		11,572	3,086
Dividends receivable		8,304	9,024
Security lending revenue receivable		28	39
Investments		4,139,893	4,369,664
		<u>4,250,731</u>	<u>4,422,458</u>
Liabilities			
Payable for purchase of investments		18,634	11,107
External management fees payable		1,666	1,720
BCI cost recoveries payable	4	5,732	5,074
Other accounts payable		17	11
Derivative liabilities:			
Options		15	-
		<u>26,064</u>	<u>17,912</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 4,224,667</u></u>	<u><u>\$ 4,404,546</u></u>
<i>Number of redeemable units outstanding</i>	5	372.960	362.587
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 11,327</u></u>	<u><u>\$ 12,148</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive (Loss)/Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 1,469	\$ 631
Dividend income		124,839	108,489
Securities lending income		341	368
Foreign exchange gain		29	211
Change in fair value of investments and derivatives:			
Net realized gain		8,823	108,169
Net change in unrealized appreciation		<u>(431,791)</u>	<u>115,701</u>
Total revenue		<u>(296,290)</u>	<u>333,569</u>
Expenses:			
BCI cost recoveries	4	5,334	9,854
External management fees		6,899	6,494
Administrative fees		51	32
Commissions and stock exchange fees		1,633	1,755
Total operating expenses		<u>13,917</u>	<u>18,135</u>
(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(310,207)</u>	<u>315,434</u>
Distributions to holders of redeemable units:			
From net investment income		(109,738)	(96,691)
From net realized gains on investments and derivatives		<u>(7,700)</u>	<u>(102,086)</u>
		<u>(117,438)</u>	<u>(198,777)</u>
(Decrease) increase in net assets attributable to holders of redeemable units		<u><u>\$ (427,645)</u></u>	<u><u>\$ 116,657</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 4,404,546	\$ 3,937,712
(Decrease) increase in net assets attributable to holders of redeemable units	(427,645)	116,657
Redeemable unit transactions:		
Proceeds from units issued	772,328	249,520
Reinvestment of distributions	117,438	198,777
Amounts paid for units redeemed	(642,000)	(98,120)
Net increase from redeemable unit transactions	247,766	350,177
Balance, end of year	\$ 4,224,667	\$ 4,404,546

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (427,645)	\$ 116,657
Adjustments for:		
Foreign exchange gain	(29)	(211)
Interest income	(1,469)	(631)
Dividend income	(124,839)	(108,489)
Net realized gain from investments and derivatives	(8,823)	(108,169)
Net change in unrealized appreciation of investments and derivatives	431,791	(115,701)
Non cash distributions	117,438	198,777
Proceeds from sale of investments	1,742,913	1,246,312
Amounts paid for purchase of investments	(1,936,110)	(1,519,693)
Receivable from sale of investments	(8,486)	(1,834)
Net payable for variation on options	15	-
Security lending revenue receivable	11	21
Payable for purchase of investments	7,527	10,059
External management fees payable	(54)	224
BCI cost recoveries payable	658	4,599
Other accounts payable	6	3
Interest received	1,469	631
Dividends received	125,559	107,547
	(80,068)	(169,898)
Financing activities:		
Proceeds from issuance of redeemable units	772,328	249,520
Payments on redemption of redeemable units	(642,000)	(98,120)
	130,328	151,400
Net increase (decrease) in cash	50,260	(18,498)
Effect of exchange rate changes on cash	29	211
Cash, beginning of year	40,645	58,932
Cash, end of year	\$ 90,934	\$ 40,645

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 4,112,210	\$ 3,717,418	\$ 4,324,113	\$ 3,497,146
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	27,683	27,747	45,551	45,602
Total Investments	\$ 4,139,893	\$ 3,745,165	\$ 4,369,664	\$ 3,542,748

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Derivative Assets and Liabilities		
as at December 31		
(all amounts in thousands)		

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives: Listed			
Options: Written	\$ 23,005	\$ -	\$ (15)

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives: Listed			
Options: Written	-	-	-

Derivative Assets and Liabilities (continued)		
as at December 31		
(all amounts in thousands)		

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 23,005	\$ -

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 Fund's benchmark. The Fund's benchmark is the S&P/TSX Capped Composite Index (the "Index"), net of cost of passive implementation. 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 78 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 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 BCI's Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in BCI's 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 7 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 assets and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018		
	Carrying Value	Less than 3 months	Total
Derivative liabilities	\$ (15)	\$ (15)	\$ (15)

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017		
	Carrying Value	Less than 3 months	Total
Derivative liabilities	\$ -	\$ -	\$ -

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**

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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 81,109	2.0 %	\$ 254,325	5.8 %
Consumer Staples	232,608	5.7 %	150,206	3.5 %
Energy	739,270	18.0 %	907,832	21.0 %
Financials	1,309,983	31.8 %	1,515,581	35.0 %
Health Care	14,012	0.3 %	11,382	0.3 %
Industrials	345,106	8.4 %	304,018	7.0 %
Information Technology	301,116	7.3 %	266,338	6.2 %
Materials	571,630	13.9 %	419,682	9.7 %
Real Estate	107,551	2.6 %	97,591	2.3 %
Telecommunication Services	285,849	7.0 %	263,669	6.1 %
Utilities	123,976	3.0 %	133,489	3.1 %
Total Equities	<u>\$ 4,112,210</u>	<u>100.0 %</u>	<u>\$ 4,324,113</u>	<u>100.0 %</u>

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

Other Price Risk (continued)

As at December 31, 2018 and 2017, 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 \$383,656,000 (2017 - \$407,034,000) or 9.1% (2017 - 9.2%) 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, 2018 and 2017, 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

ACTIVE CANADIAN EQUITY FUND

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

As described in note 8 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, 2018		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 4,112,210	\$ -	\$ 4,112,210
Money Market Funds	27,683	-	27,683
Total Investments	<u>\$ 4,139,893</u>	<u>\$ -</u>	<u>\$ 4,139,893</u>

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
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>

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 2018 and 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 1,699,706	\$ 27,683

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	\$ 923,071	\$ 45,551

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, 2018	December 31, 2017
Assets			
Cash		\$ 218	\$ 2,972
Receivable from sale of investments		73	-
Receivable from issuance of units		85	665
Dividends receivable		2,805	1,814
Security lending revenue receivable		77	175
Derivative assets:			
Swaps		752	-
Investments		1,083,259	910,516
		<u>1,087,269</u>	<u>916,142</u>
Liabilities			
Payable for purchase of investments		7,804	284
External management fees payable		513	586
BCI cost recoveries payable	4	2,436	2,158
Other accounts payable		11	3
Derivative liabilities:			
Swaps		69	-
		<u>10,833</u>	<u>3,031</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,076,436</u>	<u>\$ 913,111</u>
<i>Number of redeemable units outstanding</i>	5	583.524	418.107
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,845</u>	<u>\$ 2,184</u>

Statement of Comprehensive (Loss)/Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 722	\$ 207
Dividend income		20,413	12,276
Securities lending income		1,016	1,428
Foreign exchange gain		6	-
Change in fair value of investments and derivatives:			
Net realized gain		31,496	25,442
Net change in unrealized appreciation		<u>(235,509)</u>	<u>53,154</u>
Total revenue		<u>(181,856)</u>	<u>92,507</u>
Expenses:			
BCI cost recoveries	4	2,348	3,140
External management fees		2,278	2,274
Administrative fees		29	19
Commissions and stock exchange fees		817	575
Legal fees		<u>2</u>	<u>-</u>
Total operating expenses		<u>5,474</u>	<u>6,008</u>
(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(187,330)</u>	<u>86,499</u>
Distributions to holders of redeemable units:			
From net investment income		(15,525)	(9,824)
From net realized gains on investments and derivatives		<u>(31,704)</u>	<u>(24,738)</u>
		<u>(47,229)</u>	<u>(34,562)</u>
(Decrease) increase in net assets attributable to holders of redeemable units		<u>\$ (234,559)</u>	<u>\$ 51,937</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, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 913,111	\$ 626,322
(Decrease) increase in net assets attributable to holders of redeemable units	(234,559)	51,937
Redeemable unit transactions:		
Proceeds from units issued	350,655	200,290
Reinvestment of distributions	47,229	34,562
Net increase from redeemable unit transactions	397,884	234,852
Balance, end of year	\$ 1,076,436	\$ 913,111

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (234,559)	\$ 51,937
Adjustments for:		
Effect of exchange rate changes on cash	(6)	-
Interest income	(722)	(207)
Dividend income	(20,413)	(12,276)
Net realized gain from investments and derivatives	(31,496)	(25,442)
Net change in unrealized appreciation of investments and derivatives	235,509	(53,154)
Amortization of premiums and discounts	(362)	(154)
Non cash distributions	47,229	34,562
Proceeds from sale of investments	801,230	578,660
Amounts paid for purchase of investments	(1,178,307)	(785,586)
Receivable from sale of investments	(73)	884
Security lending revenue receivable	98	(166)
Payable for purchase of investments	7,520	218
External management fees payable	(73)	73
BCI cost recoveries payable	278	2,101
Other accounts payable	8	2
Interest received	722	207
Dividends received	19,422	11,677
	<u>(353,995)</u>	<u>(196,664)</u>
Financing activities:		
Proceeds from issuance of redeemable units	351,235	199,625
Net (decrease) increase in cash	(2,760)	2,961
Cash, beginning of year	2,972	11
Effect of exchange rate changes on cash	6	-
Cash, end of year	\$ 218	\$ 2,972

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,014,304	\$ 988,249	\$ 875,523	\$ 612,761
Investment Fund Investment ¹	22,790	22,254	-	-
	<u>1,037,094</u>	<u>1,010,503</u>	<u>875,523</u>	<u>612,761</u>
Money Market Investments:				
Corporate	16,909	16,909	26,314	26,317
Units in BCI Pooled Investment Portfolio:				
Fund ST1	18,816	18,840	8,679	8,688
CDOR 1 Floating Rate Fund	<u>10,440</u>	<u>10,449</u>	<u>-</u>	<u>-</u>
	<u>46,165</u>	<u>46,198</u>	<u>34,993</u>	<u>35,005</u>
Total Investments	<u>\$ 1,083,259</u>	<u>\$ 1,056,701</u>	<u>\$ 910,516</u>	<u>\$ 647,766</u>

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Derivative Assets and Liabilities

as at December 31

(all amounts in thousands)

2018			
Fair Value			
Notional Value (note A)	Assets (note B)	Liabilities	
Equity derivatives:			
OTC			
Swaps	\$ 9,899	\$ 752	\$ (69)

2017			
Fair Value			
Notional Value (note A)	Assets (note B)	Liabilities	
Equity derivatives:			
Listed			
OTC			
Swaps	\$ -	\$ -	\$ -

Derivative Assets and Liabilities (continued)

as at December 31

(all amounts in thousands)

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 9,899	\$ -

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 by 327 basis points per annum, net of all investment expenses incurred. The Fund's benchmark is the S&P/TSX Small Cap Index (the "Index"), net of cost of passive implementation. 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 BCI's Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in BCI's 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 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

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

The following were the contractual maturities of derivative financial assets and derivative financial liabilities as at December 31, 2018 (nil as at December 31, 2017).

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018		
	Carrying Value	Less than 3 months	Total
Derivative assets	\$ 752	\$ 752	\$ 752
Derivative liabilities	(69)	(69)	(69)
	<u>\$ 683</u>	<u>\$ 683</u>	<u>\$ 683</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

**Financial Risk Management Discussion (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.

**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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 106,913	10.6 %	\$ 81,242	9.4 %
Consumer Staple	101,107	10.0 %	43,738	5.0 %
Energy	164,031	16.2 %	177,576	20.3 %
Financial Services	74,767	7.4 %	76,607	8.7 %
Health Care	19,738	1.9 %	13,299	1.5 %
Industrial Products	252,500	24.8 %	233,867	26.6 %
Information Technology	77,214	7.6 %	69,694	8.0 %
Materials and Processing	146,937	14.5 %	114,618	13.1 %
Real Estate	71,097	7.0 %	64,882	7.4 %
Total Equities	<u>\$ 1,014,304</u>	<u>100.0 %</u>	<u>\$ 875,523</u>	<u>100.0 %</u>

As at December 31, 2018 and 2017, 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 \$68,149,000 (2017 - \$50,325,000) or 6.3% (2017 - 5.5%) 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, 2018 and 2017, 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

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

As described in note 8 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, 2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,014,304	\$ -	\$ 1,014,304
Investment Fund Investment	-	22,790	22,790
Money Market Investments	-	16,909	16,909
Money Market Funds	18,816	-	18,816
Floating Rate Funds	10,440	-	10,440
Total Investments	\$ 1,043,560	\$ 39,699	\$ 1,083,259
Swaps, Net	-	683	683
Total	\$ 1,043,560	\$ 40,382	\$ 1,083,942

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

**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 2018 and 2017, 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 14,550,157	\$ 29,256
Investee fund administered by external manager	1	4,222,960	22,790

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	\$ 923,071	\$ 8,679

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Cash		\$ 79	\$ 47
Dividends receivable		1,759	1,496
Security lending revenue receivable		7	4
Investments		<u>2,909,388</u>	<u>3,224,056</u>
		<u>2,911,233</u>	<u>3,225,603</u>
Liabilities			
BCI cost recoveries payable	4	4,810	4,422
Other accounts payable		<u>11</u>	<u>3</u>
		<u>4,821</u>	<u>4,425</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,906,412</u></u>	<u><u>\$ 3,221,178</u></u>
<i>Number of redeemable units outstanding</i>	5	814.528	814.528
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,568</u></u>	<u><u>\$ 3,955</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, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 69	\$ 79
Investment fund distribution		-	56,786
Dividend income		15,872	47,963
Securities lending income		78	384
Futures income		-	35
Foreign exchange gain		3	-
Change in fair value of investments:			
Net realized gain		17,373	476,156
Net change in unrealized appreciation		<u>(344,876)</u>	<u>(269,221)</u>
Total revenue		<u>(311,481)</u>	<u>312,182</u>
Expenses:			
BCI cost recoveries	4	3,122	7,163
External management fees		-	2,654
Administrative fees		38	113
Commissions and stock exchange fees		<u>125</u>	<u>1,984</u>
Total operating expenses		<u>3,285</u>	<u>11,914</u>
(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(314,766)</u>	<u>300,268</u>
Distributions to holders of redeemable units:			
From net investment income		(8,566)	(105,521)
From net realized gains on investments		<u>(5,895)</u>	<u>(419,740)</u>
		<u>(14,461)</u>	<u>(525,261)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (329,227)</u></u>	<u><u>\$ (224,993)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 3,221,178	\$ 2,920,391
Decrease in net assets attributable to holders of redeemable units	(329,227)	(224,993)
Redeemable unit transactions:		
Proceeds from units issued	520,500	121,974
Reinvestment of distributions	14,461	525,261
Amounts paid for units redeemed	(520,500)	(121,455)
Net increase from redeemable unit transactions	14,461	525,780
Balance, end of year	\$ 2,906,412	\$ 3,221,178

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (329,227)	\$ (224,993)
Adjustments for:		
Foreign exchange gain	(3)	-
Interest income	(69)	(79)
Investment fund distribution	-	(56,786)
Dividend income	(15,872)	(47,963)
Net realized gain from investments	(17,373)	(476,156)
Net change in unrealized appreciation of investments	344,876	269,221
Amortization of premiums and discounts	-	(19)
Non cash distributions	14,461	525,261
Proceeds from sale of investments	309,983	7,143,628
Amounts paid for purchase of investments	(322,818)	(7,244,377)
Receivable from sale of investments	-	9,460
Net payable for variation on futures	-	(27)
Security lending revenue receivable	(3)	70
Payable for purchase of investments	-	(12,335)
External management fees payable	-	(1,255)
BCI cost recoveries payable	388	4,107
Other accounts payable	8	(3)
Interest received	69	79
Investment fund distributions received	-	56,786
Dividends received	15,609	53,918
	29	(1,463)
Financing activities:		
Proceeds from issuance of redeemable units	520,500	122,390
Payments on redemption of redeemable units	(520,500)	(121,455)
	-	935
Net increase (decrease) in cash	29	(528)
Effect of exchange rate changes on cash	3	-
Cash, beginning of year	47	575
Cash, end of year	\$ 79	\$ 47

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 464,020	\$ 443,334	\$ 516,111	\$ 411,593
Investment Fund Investment	<u>2,441,849</u>	<u>2,516,894</u>	<u>2,702,891</u>	<u>2,516,895</u>
	2,905,869	2,960,228	3,219,002	2,928,488
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	<u>3,519</u>	<u>3,529</u>	<u>5,054</u>	<u>5,061</u>
Total Investments	<u>\$ 2,909,388</u>	<u>\$ 2,963,757</u>	<u>\$ 3,224,056</u>	<u>\$ 2,933,549</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

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

The Canadian Quantitative Active 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"), net of cost of passive implementation. The Fund's objective is to exceed the return of the benchmark by 57 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 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 BCI's Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in BCI's Floating Rate Funds.

The following restrictions apply to the Fund:

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

- 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.

Note 7 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, including its investment in the Investment Fund, are held in securities that are not subject to credit risk.

Liquidity Risk

The Fund, including its investment in the Investment Fund, is not exposed to significant liquidity risk.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE 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, 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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 18,631	3.8 %	\$ 29,691	6.0 %
Consumer Staples	20,590	4.4 %	20,749	4.0 %
Energy	80,499	17.3 %	100,841	19.5 %
Financials	162,813	35.2 %	193,822	37.4 %
Health Care	8,613	1.9 %	2,686	0.5 %
Industrial Products	47,642	10.3 %	47,266	9.2 %
Information Technology	19,878	4.3 %	15,721	3.0 %
Materials	56,450	12.2 %	56,040	10.9 %
Telecommunication Services	27,779	6.0 %	26,962	5.2 %
Utilities	21,125	4.6 %	22,333	4.3 %
Total Equities	\$ 464,020	100.0 %	\$ 516,111	100.0 %

Financial Risk Management Discussion (continued)
as at December 31

As at December 31, 2018 and 2017, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$43,976,000 (2017 - \$51,357,000) or 1.5% (2017 - 1.6%) 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, 2018 and 2017, 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 \$244,185,000 (2017 - \$270,289,000) or 8.4% (2017 - 8.4%) 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

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

As described in note 8 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, 2018		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 464,020	\$ -	\$ 464,020
Investment Fund Investment	-	2,441,849	2,441,849
Money Market Funds	3,519	-	3,519
Total Investments	<u>\$ 467,539</u>	<u>\$ 2,441,849</u>	<u>\$ 2,909,388</u>

(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	<u>\$ 521,165</u>	<u>\$ 2,702,891</u>	<u>\$ 3,224,056</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 2018 and 2017, 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

**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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 1,669,706	\$ 3,519
Investee fund administered by external manager	1	2,441,849	2,441,849

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	\$ 923,071	\$ 5,054
Investee fund administered by external manager	1	2,702,891	2,702,891

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, 2018	December 31, 2017
Assets			
Cash		\$ 2,233	\$ 1,642
Receivable from sale of investments		196,219	1,733
Receivable from issuance of units		301,000	-
Dividends receivable		8,969	18,432
Security lending revenue receivable		108	395
Derivative assets:			
Futures		66	2,209
Swaps		12,874	18,258
Investments		<u>3,579,857</u>	<u>7,737,884</u>
		<u>4,101,326</u>	<u>7,780,553</u>
Liabilities			
Payable for purchase of investments		22,994	1,451
Payable for redemption of units		481,000	-
BCI cost recoveries payable	4	3,152	2,912
Accounts payable		29	18
Derivative liabilities:			
Swaps		<u>37,000</u>	<u>2,898</u>
		<u>544,175</u>	<u>7,279</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 3,557,151</u></u>	<u><u>\$ 7,773,274</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>471.740</i>	<i>939.641</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 7,540</u></u>	<u><u>\$ 8,273</u></u>

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 11,446	\$ 4,614
Dividend income		152,127	235,241
Securities lending income		3,478	4,339
Futures (loss) income		(6,277)	3,635
Foreign exchange gain (loss)		130	(20)
Change in fair value of investments and derivatives:			
Net realized gain		826,388	970,197
Net change in unrealized appreciation		<u>(1,437,293)</u>	<u>(428,337)</u>
Total revenue (loss)		<u>(450,001)</u>	<u>789,669</u>
Expenses:			
BCI cost recoveries	4	4,587	8,556
Administrative fees		96	44
Commissions and stock exchange fees		<u>574</u>	<u>1,433</u>
Total operating expenses		<u>5,257</u>	<u>10,033</u>
(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(455,258)</u>	<u>779,636</u>
Distributions to holders of redeemable units:			
From net investment income		(154,051)	(248,188)
From net realized gains on investments and derivatives		<u>(837,917)</u>	<u>(959,785)</u>
		<u>(991,968)</u>	<u>(1,207,973)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (1,447,226)</u></u>	<u><u>\$ (428,337)</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 CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 7,773,274	\$ 9,828,068
Decrease in net assets attributable to holders of redeemable units	(1,447,226)	(428,337)
Redeemable unit transactions:		
Proceeds from units issued	1,130,133	700,825
Reinvestment of distributions	991,968	1,207,973
Amounts paid for units redeemed	(4,890,998)	(3,535,255)
Net decrease from redeemable unit transactions	(2,768,897)	(1,626,457)
Balance, end of year	\$ 3,557,151	\$ 7,773,274

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (1,447,226)	\$ (428,337)
Adjustments for:		
Foreign exchange (gain)/loss	(130)	20
Interest income	(11,446)	(4,614)
Dividend income	(152,127)	(235,241)
Net realized gain from investments and derivatives	(826,388)	(970,197)
Net change in unrealized appreciation of investments and derivatives	1,437,293	428,337
Amortization of premiums and discounts	-	(13)
Non cash distributions	991,968	1,207,973
Proceeds from sale of investments	9,610,385	6,088,934
Amounts paid for purchase of investments	(6,023,777)	(3,496,138)
Receivable from sale of investments	(194,486)	(1,506)
Net receivable for variation on futures	2,143	(2,209)
Net payable for variation on futures	-	(720)
Security lending revenue receivable	287	(52)
Payable for purchase of investments	21,543	(5,891)
BCI cost recoveries payable	240	2,153
Accounts payable	11	(2)
Interest received	11,446	4,614
Dividends received	161,590	241,997
	<u>3,581,326</u>	<u>2,829,108</u>
Financing activities:		
Proceeds from issuance of redeemable units	829,133	700,825
Payments on redemption of redeemable units	(4,409,998)	(3,535,255)
	<u>(3,580,865)</u>	<u>(2,834,430)</u>
Net increase (decrease) in cash	461	(5,322)
Effect of exchange rate changes on cash	130	(20)
Cash, beginning of year	1,642	6,984
Cash, end of year	\$ 2,233	\$ 1,642

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,653,498	\$ 2,524,478	\$ 7,179,694	\$ 5,654,664
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	5,888	5,894	13,008	13,008
CDOR 1 Floating Rate Fund	920,471	921,668	545,182	544,588
	926,359	927,562	558,190	557,596
Total Investments	\$ 3,579,857	\$ 3,452,040	\$ 7,737,884	\$ 6,212,260

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
Listed			
Futures	\$ 11,145	\$ 66	\$ -
OTC			
Swaps	1,300,364	12,874	(37,000)
Total	<u>\$ 1,311,509</u>	<u>\$ 12,940</u>	<u>\$ (37,000)</u>

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
Listed			
Futures	\$ 41,794	\$ 2,209	\$ -
OTC			
Swaps	1,261,686	18,258	(2,898)
Total	<u>\$ 1,303,480</u>	<u>\$ 20,467</u>	<u>\$ (2,898)</u>

Derivative Assets and Liabilities (continued)			
as at December 31			
(all amounts in thousands)			

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 1,120,836	\$ 799,068
3 to 12 months	190,673	504,412
Total	<u>\$ 1,311,509</u>	<u>\$ 1,303,480</u>

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 Fund's benchmark. The Fund's benchmark is the S&P/TSX Composite Index (the "Index"), net of cost of passive implementation. The Fund holds companies and sectors roughly in proportion to their weighting in the Index. The objective of the Pool is to replicate the returns of the Index.

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 BCI's Canadian Money Market Fund ST1 and Canadian Money Market Fund ST2, and
- units in BCI's 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 7 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 assets and derivative financial liabilities as at December 31.

	2018			
	Carrying Value	Less than 3 months	3 to 12 months	Total
DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)				
Derivative assets	\$ 12,940	\$ 2,070	\$ 10,870	\$ 12,940
Derivative liabilities	(37,000)	(37,000)	-	(37,000)
	<u>\$ (24,060)</u>	<u>\$ (34,930)</u>	<u>\$ 10,870</u>	<u>\$ (24,060)</u>

	2017			
	Carrying Value	Less than 3 months	3 to 12 months	Total
DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)				
Derivative assets	\$ 20,467	\$ 6,980	\$ 13,487	\$ 20,467
Derivative liabilities	(2,898)	(2,898)	-	(2,898)
	<u>\$ 17,569</u>	<u>\$ 4,082</u>	<u>\$ 13,487</u>	<u>\$ 17,569</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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 115,323	4.4 %	\$ 379,224	5.3 %
Consumer Staple	104,527	3.9 %	255,831	3.6 %
Energy	452,305	17.0 %	1,417,042	19.7 %
Financial Services	952,238	35.9 %	2,679,026	37.3 %
Health Care	28,654	1.1 %	72,361	1.0 %
Industrial Products	292,290	11.0 %	691,315	9.6 %
Information Technology	111,515	4.2 %	234,327	3.3 %
Materials and Processing	318,256	12.0 %	841,801	11.7 %
Telecommunication Services	149,312	5.6 %	324,743	4.5 %
Utilities	129,078	4.9 %	284,024	4.0 %
Total Equities	<u>\$ 2,653,498</u>	<u>100.0 %</u>	<u>\$ 7,179,694</u>	<u>100.0 %</u>

Financial Risk Management Discussion (continued)
as at December 31

As at December 31, 2018 and 2017, 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 \$396,668,000 (2017 - \$716,262,000) or 11.2% (2017 – 9.2%) 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, 2018 and 2017, 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 8 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, 2018				
	Level 1	Level 2		Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)		
(in 000s)				
Public Equities	\$ 2,653,498	\$ -	\$	2,653,498
Floating Rate Funds	920,471	-		920,471
Money Market Funds	5,888	-		5,888
Total Investments	\$ 3,579,857	\$ -	\$	3,579,857
Futures Contracts, Net	66	-		66
Swaps	-	(24,126)		(24,126)
Total	\$ 3,579,923	\$ (24,126)	\$	3,555,797

December 31, 2017				
	Level 1	Level 2		Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)		
(in 000s)				
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

**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 2018 and 2017, 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 14,550,157	\$ 926,359

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	\$ 3,910,433	\$ 558,190

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, 2018	December 31, 2017
Assets			
Cash		\$ 8,597	\$ 5,589
Receivable from sale of investments		72	4,144
Receivable from issuance of units		210	60
Dividends receivable		706	564
Security lending revenue receivable		118	88
Investments		1,324,586	1,099,432
		<u>1,334,289</u>	<u>1,109,877</u>
Liabilities			
Payable for purchase of investments		413	208
External management fees payable		2,107	1,642
BCI cost recoveries payable	4	4,556	3,768
Other accounts payable		14	12
		<u>7,090</u>	<u>5,630</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,327,199</u>	<u>\$ 1,104,247</u>
<i>Number of redeemable units outstanding</i>	5	376.556	325.454
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,525</u>	<u>\$ 3,393</u>

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 2,946	\$ 437
Dividend income		9,409	15,094
Securities lending income		666	1,052
Foreign exchange gain (loss)		2,301	(1,118)
Change in fair value of investments:			
Net realized gain		138,318	223,795
Net change in unrealized appreciation		(109,097)	(123,263)
Total revenue		<u>44,543</u>	<u>115,997</u>
Expenses:			
BCI cost recoveries	4	2,593	4,789
External management fees		7,342	11,079
Administrative fees		39	52
Commissions and stock exchange fees		710	1,336
Withholding taxes	6	-	30
Total operating expenses		<u>10,684</u>	<u>17,286</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>33,859</u>	<u>98,711</u>
Distributions to holders of redeemable units:			
From net investment income		(1,562)	(3,643)
From net realized gains on investments		(137,610)	(218,524)
		<u>(139,172)</u>	<u>(222,167)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (105,313)</u>	<u>\$ (123,456)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 1,104,247	\$ 1,571,534
Decrease in net assets attributable to holders of redeemable units	(105,313)	(123,456)
Redeemable unit transactions:		
Proceeds from units issued	189,093	544
Reinvestment of distributions	139,172	222,167
Amounts paid for units redeemed	-	(566,542)
Net increase (decrease) from redeemable unit transactions	328,265	(343,831)
Balance, end of year	\$ 1,327,199	\$ 1,104,247

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (105,313)	\$ (123,456)
Adjustments for:		
Foreign exchange (gain) loss	(2,301)	1,118
Interest income	(2,946)	(437)
Dividend income	(9,409)	(15,094)
Withholding taxes	-	30
Net realized gain from investments	(138,318)	(223,795)
Net change in unrealized appreciation of investments	109,097	123,263
Amortization of premiums and discounts	(527)	(218)
Non cash distributions	139,172	222,167
Proceeds from sale of investments	1,151,558	2,275,114
Amounts paid for purchase of investments	(1,346,964)	(1,722,002)
Receivable from sale of investments	4,072	(2,201)
Security lending revenue receivable	(30)	(39)
Payable for purchase of investments	205	(1,889)
External management fees payable	465	(1,216)
BCI cost recoveries payable	788	3,655
Other accounts payable	2	9
Interest received	2,946	437
Dividends received	9,267	15,531
Withholding taxes paid	-	(30)
	<u>(188,236)</u>	<u>550,947</u>
Financing activities:		
Proceeds from issuance of redeemable units	188,943	484
Payments on redemption of redeemable units	-	(566,542)
	<u>188,943</u>	<u>(566,058)</u>
Net increase (decrease) in cash	707	(15,111)
Effect of exchange rate changes on cash	2,301	(1,118)
Cash, beginning of year	5,589	21,818
Cash, end of year	\$ 8,597	\$ 5,589

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,297,362	\$ 1,171,745	\$ 1,073,066	\$ 837,455
Money Market Investments:				
Corporate	26,529	25,978	24,850	25,205
Units in BCI Pooled Investment Portfolio:				
Fund ST1	103	103	-	-
Fund ST3	592	574	1,516	1,489
	<u>27,224</u>	<u>26,655</u>	<u>26,366</u>	<u>26,694</u>
Total Investments	<u>\$ 1,324,586</u>	<u>\$ 1,198,400</u>	<u>\$ 1,099,432</u>	<u>\$ 864,149</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 by 116 basis points per annum, net of all investment expenses incurred. The Fund's benchmark is the Russell 2000 Total Return Index (the "Index"), net of cost of passive implementation. 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 BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in BCI's 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 7 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 \$1,297,362,000 CAD which represents 97.8% of the net asset value of the Fund (2017 - \$1,109,609,000 CAD which represented 100.5% of the net asset value of the Fund). As at December 31, 2018, 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 \$12,974,000 CAD (2017 - \$11,096,000 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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 273,845	21.0 %	\$ 216,301	20.2 %
Consumer Staples	8,532	0.7 %	6,821	0.6 %
Energy	9,189	0.7 %	15,150	1.4 %
Financials	212,220	16.4 %	244,056	22.8 %
Health Care	161,802	12.5 %	166,620	15.5 %
Industrials	281,463	21.7 %	190,838	17.8 %
Information Technology	279,386	21.5 %	207,082	19.3 %
Materials	21,501	1.7 %	10,662	1.0 %
Real Estate	28,780	2.2 %	-	- %
Telecommunication Services	20,644	1.6 %	13,238	1.2 %
Utilities	-	- %	2,298	0.2 %
Total Equities	\$ 1,297,362	100.0 %	\$ 1,073,066	100.0 %

As at December 31, 2018 and 2017, 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 \$125,725,000 (2017 - \$100,305,000) or 9.5% (2017 - 9.1%) 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, 2018 and 2017, 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 8 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, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,297,362	\$ -	\$ 1,297,362
Money Market Investments	-	26,529	26,529
Money Market Funds	695	-	695
Total Investments	\$ 1,298,057	\$ 26,529	\$ 1,324,586

	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	\$ 1,074,582	\$ 24,850	\$ 1,099,432

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 2018 and 2017, 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 2,521,901	\$ 695

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

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, 2018	December 31, 2017
Assets			
Cash		\$ 5,054	\$ 8,802
Receivable from sale of investments		176,655	-
Dividends receivable		3,815	7,098
Security lending revenue receivable		12	54
Derivative assets:			
Futures		-	706
Swaps		20,556	727
Investments		3,751,007	7,023,588
		<u>3,957,099</u>	<u>7,040,975</u>
Liabilities			
Payable for purchase of investments		181,421	2,521
BCI cost recoveries payable	4	8,644	8,257
Other accounts payable		50	21
Derivative liabilities:			
Foreign currency contracts		333	-
Swaps		5,474	-
		<u>195,922</u>	<u>10,799</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,761,177</u>	<u>\$ 7,030,176</u>
<i>Number of redeemable units outstanding</i>	5	333.942	649.744
Net assets attributable to holders of redeemable units per unit		<u>\$ 11,263</u>	<u>\$ 10,820</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, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 22,151	\$ 835
Dividend income		59,845	181,279
Securities lending income		231	829
Futures income		898	2,546
Foreign exchange (loss) gain		(4,934)	1,979
Change in fair value of investments and derivatives:			
Net realized gain		2,015,631	1,227,034
Net change in unrealized appreciation		(1,798,333)	(346,504)
Total revenue		<u>295,489</u>	<u>1,067,998</u>
Expenses:			
BCI cost recoveries	4	2,724	12,907
Administrative fees		127	61
Commissions and stock exchange fees		319	790
Withholding taxes	6	-	1
Total operating expenses		<u>3,170</u>	<u>13,759</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>292,319</u>	<u>1,054,239</u>
Distributions to holders of redeemable units:			
From net investment income		(67,316)	(186,538)
From net realized gains on investments and derivatives		(2,021,879)	(1,224,924)
		<u>(2,089,195)</u>	<u>(1,411,462)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (1,796,876)</u>	<u>\$ (357,223)</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, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 7,030,176	\$ 9,151,687
Decrease in net assets attributable to holders of redeemable units	(1,796,876)	(357,223)
Redeemable unit transactions:		
Proceeds from units issued	634,740	991,798
Reinvestment of distributions	2,089,195	1,411,462
Amounts paid for units redeemed	(4,196,058)	(4,167,548)
Net decrease from redeemable unit transactions	(1,472,123)	(1,764,288)
Balance, end of year	\$ 3,761,177	\$ 7,030,176

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (1,796,876)	\$ (357,223)
Adjustments for:		
Foreign exchange loss (gain)	4,934	(1,979)
Interest income	(22,151)	(835)
Dividend income	(59,845)	(181,279)
Withholding taxes	-	1
Net realized gain from investments and derivatives	(2,015,631)	(1,227,034)
Net change in unrealized appreciation of investments and derivatives	1,798,333	346,504
Amortization of premiums and discounts	-	(2)
Non cash distributions	2,089,195	1,411,462
Proceeds from sale of investments	9,955,940	5,567,812
Amounts paid for purchase of investments	(6,480,083)	(2,572,996)
Receivable from sale of investments	(176,655)	-
Net receivable/payable for variation on futures	706	(748)
Security lending revenue receivable	42	28
Payable for purchase of investments	178,900	2,521
BCI cost recoveries payable	387	7,619
Other accounts payable	29	(4,462)
Interest received	22,151	835
Dividends received	63,128	185,596
Withholding taxes paid	-	(1)
	<u>3,562,504</u>	<u>3,175,819</u>
Financing activities:		
Proceeds from issuance of redeemable units	634,740	991,798
Payments on redemption of redeemable units	(4,196,058)	(4,167,548)
	<u>(3,561,318)</u>	<u>(3,175,750)</u>
Net increase in cash	1,186	69
Effect of exchange rate changes on cash	(4,934)	1,979
Cash, beginning of year	8,802	6,754
Cash, end of year	\$ 5,054	\$ 8,802

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,878,740	\$ 2,768,847	\$ 6,969,516	\$ 5,039,050
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	-	-	1,225	1,226
CDOR 1 Floating Rate Fund	725,136	726,278	-	-
LIBOR Floating Rate Fund	147,131	141,096	52,847	56,304
	<u>872,267</u>	<u>867,374</u>	<u>54,072</u>	<u>57,530</u>
Total Investments	<u>\$ 3,751,007</u>	<u>\$ 3,636,221</u>	<u>\$ 7,023,588</u>	<u>\$ 5,096,580</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 836,593	\$ 20,556	\$ (5,474)
Currency derivatives			
Listed			
Futures	183,210	-	(333)
Total	<u>\$ 1,019,803</u>	<u>\$ 20,556</u>	<u>\$ (5,807)</u>

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Futures	\$ -	\$ 706	\$ -
Swaps	56,637	727	-
Total	<u>\$ 56,637</u>	<u>\$ 1,433</u>	<u>\$ -</u>

Derivative Assets and Liabilities (continued)			
as at December 31			
(all amounts in thousands)			

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 1,019,803	\$ -
3 to 12 months	-	56,637
Total	<u>\$ 1,019,803</u>	<u>\$ 56,637</u>

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 Fund's benchmark. The Fund's benchmark is the Morgan Stanley Capital International United States of America ("MSCI USA") Total Return Index (the "Index"), net of cost of passive implementation. 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 replicate the returns of the Index.

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 BCI's 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 7 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 assets and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 20,556	\$ 20,556	\$ -	\$ 20,556
Derivative liabilities	(5,807)	(5,807)	-	(5,807)
	<u>\$ 14,749</u>	<u>\$ 14,749</u>	<u>\$ -</u>	<u>\$ 14,749</u>

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 1,433	\$ -	\$ 1,433	\$ 1,433
Derivative liabilities	-	-	-	-
	<u>\$ 1,433</u>	<u>\$ -</u>	<u>\$ 1,433</u>	<u>\$ 1,433</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 \$3,135,505,000 CAD which represents 83.4% of the net asset value of the Fund (2017 - \$7,037,235,000 CAD which represented 100.1% of the net asset value of the Fund). As at December 31, 2018, 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 \$31,355,000 CAD (2017 - \$70,372,000 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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 296,847	10.4 %	\$ 890,602	12.8 %
Consumer Staple	209,306	7.3 %	559,835	8.0 %
Energy	151,606	5.3 %	423,784	6.1 %
Financial Services	375,795	13.1 %	1,239,274	17.8 %
Health Care	441,346	15.3 %	942,765	13.5 %
Industrial Products	263,361	9.1 %	706,515	10.1 %
Information Technology	582,351	20.2 %	1,642,445	23.6 %
Materials and Processing	78,799	2.7 %	215,840	3.1 %
Real Estate	90,532	3.1 %	-	- %
Telecommunication Services	292,515	10.2 %	148,302	2.1 %
Utilities	96,282	3.3 %	200,154	2.9 %
Total Equities	<u>\$ 2,878,740</u>	<u>100.0 %</u>	<u>\$ 6,969,516</u>	<u>100.0 %</u>

As at December 31, 2018 and 2017, 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 \$370,324,000 (2017 - \$697,193,000) or 9.8% (2017 - 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, 2018 and 2017, 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 8 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, 2018		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 2,878,740	\$ -	\$ 2,878,740
Floating Rate Funds	872,267	-	872,267
Total Investments	\$ 3,751,007	\$ -	\$ 3,751,007
Swaps, Net	-	15,082	15,082
Foreign Currency Contracts, Net	-	(333)	(333)
Total	\$ 3,751,007	\$ 14,749	\$ 3,765,756

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
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, Net	-	727	727
Futures Contracts, Net	-	706	706
Total	\$ 7,023,588	\$ 1,433	\$ 7,025,021

**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 2018 and 2017, 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 13,113,059	\$ 872,267

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	\$ 1,741,150	\$ 54,072

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, 2018	December 31, 2017
Assets			
Cash		\$ 12,951	\$ 15,105
Dividends receivable		2,499	2,987
Security lending revenue receivable		10	51
Withholding taxes receivable		60	-
Investments		<u>1,897,274</u>	<u>2,646,109</u>
		<u>1,912,794</u>	<u>2,664,252</u>
Liabilities			
Payable for purchase of investments		-	16
External management fees payable		3,474	3,221
BCI cost recoveries payable	4	12,377	11,322
Other accounts payable		<u>227</u>	<u>288</u>
		<u>16,078</u>	<u>14,847</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,896,716</u></u>	<u><u>\$ 2,649,405</u></u>
<i>Number of redeemable units outstanding</i>	5	504.472	679.763
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,760</u></u>	<u><u>\$ 3,898</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive (Loss)/Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 379	\$ 297
Dividend income		49,230	87,459
Securities lending income		250	649
Foreign exchange gain (loss)		2,794	(5,418)
Change in fair value of investments:			
Net realized gain		360,524	1,039,609
Net change in unrealized appreciation		<u>(439,238)</u>	<u>34,528</u>
Total revenue (loss)		<u>(26,061)</u>	<u>1,157,124</u>
Expenses:			
BCI cost recoveries	4	2,153	13,349
External management fees		8,600	19,100
Administrative fees		614	852
Commissions and stock exchange fees		3,577	8,103
Withholding taxes	6	<u>4,287</u>	<u>6,795</u>
Total operating expenses		<u>19,231</u>	<u>48,199</u>
(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(45,292)</u>	<u>1,108,925</u>
Distributions to holders of redeemable units:			
From net investment income		(25,763)	(59,961)
From net realized gains on investments		<u>(354,939)</u>	<u>(1,027,719)</u>
		<u>(380,702)</u>	<u>(1,087,680)</u>
(Decrease) increase in net assets attributable to holders of redeemable units		<u><u>\$ (425,994)</u></u>	<u><u>\$ 21,245</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, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 2,649,405	\$ 4,371,460
(Decrease) increase in net assets attributable to holders of redeemable units	(425,994)	21,245
Redeemable unit transactions:		
Proceeds from units issued	-	223,265
Reinvestment of distributions	380,702	1,087,680
Amounts paid for units redeemed	(707,397)	(3,054,245)
Net decrease from redeemable unit transactions	(326,695)	(1,743,300)
Balance, end of year	<u><u>\$ 1,896,716</u></u>	<u><u>\$ 2,649,405</u></u>

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (425,994)	\$ 21,245
Adjustments for:		
Foreign exchange (gain) loss	(2,794)	5,418
Interest income	(379)	(297)
Dividend income	(49,230)	(87,459)
Withholding taxes	4,287	6,795
Net realized gain from investments	(360,524)	(1,039,609)
Net change in unrealized appreciation of investments	439,238	(34,528)
Non cash distributions	380,702	1,087,680
Proceeds from sale of investments	1,968,516	3,850,183
Amounts paid for purchase of investments	(1,298,395)	(1,121,278)
Receivable from sale of investments	-	1,174
Security lending revenue receivable	41	41
Payable for purchase of investments	(16)	(20,725)
External management fees payable	253	(3,941)
BCI cost recoveries payable	1,055	11,008
Other accounts payable	(61)	178
Interest received	379	297
Dividends received	49,718	93,263
Withholding taxes paid	(4,347)	(6,706)
	<u>702,449</u>	<u>2,762,739</u>
Financing activities:		
Proceeds from issuance of redeemable units	-	223,265
Payments on redemption of redeemable units	(707,397)	(3,054,245)
	<u>(707,397)</u>	<u>(2,830,980)</u>
Net decrease in cash	(4,948)	(68,241)
Effect of exchange rate changes on cash	2,794	(5,418)
Cash, beginning of year	<u>15,105</u>	<u>88,764</u>
Cash, end of year	<u><u>\$ 12,951</u></u>	<u><u>\$ 15,105</u></u>

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,893,325	\$ 1,528,022	\$ 2,644,486	\$ 1,839,951
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	3,949	3,955	1,623	1,623
Total Investments	\$ 1,897,274	\$ 1,531,977	\$ 2,646,109	\$ 1,841,574

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 by 81 basis points per annum, net of all investment expenses incurred. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") All Country Asia Pacific ex-Japan Net Index (the "Index"), net of cost of passive implementation.

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, units of BCI's 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 7 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 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.

**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)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 312,039	\$ -	\$ 312,039	16.5 %
Chinese Renminbi	50,888	-	50,888	2.7 %
Hong Kong Dollar	636,075	-	636,075	33.5 %
Indian Rupee	203,596	-	203,596	10.7 %
Indonesian Rupiah	52,321	-	52,321	2.8 %
Korean Won	193,455	-	193,455	10.2 %
Phillippine Peso	22,467	-	22,467	1.2 %
Singapore Dollar	64,259	-	64,259	3.4 %
Taiwan Dollar	140,047	-	140,047	7.4 %
Thai Baht	36,577	-	36,577	1.9 %
United States Dollar	197,012	-	197,012	10.4 %
Net Foreign Exchange Exposure	\$ 1,908,736	\$ -	\$ 1,908,736	100.6 %

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**

Currency Risk (continued)

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables	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	\$ 2,662,583	\$ -	\$ 2,662,583	100.5 %

As at December 31, 2018, 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 \$19,087,000 (2017 - \$26,626,000), representing 1.0% of the Fund's net assets (2017 - 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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 269,968	14.3 %	\$ 257,455	9.8 %
Consumer Staple	60,923	3.2 %	120,406	4.6 %
Energy	40,535	2.1 %	53,079	2.0 %
Financial Services	556,998	29.4 %	918,418	34.7 %
Health Care	119,677	6.3 %	133,285	5.0 %
Industrial	98,031	5.2 %	169,538	6.4 %
Information Technology	301,490	15.9 %	682,810	25.8 %
Materials and Processing	137,463	7.3 %	221,513	8.4 %
Real Estate	113,911	6.0 %	-	- %
Telecommunication Services	194,329	10.3 %	68,854	2.6 %
Utilities	-	- %	19,128	0.7 %
Total Equities	\$ 1,893,325	100.0 %	\$ 2,644,486	100.0 %

As at December 31, 2018 and 2017, 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 \$189,237,000 (2017 - \$253,415,000) or 10.0% (2017 - 9.6%) 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, 2018 and 2017, 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

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)	2018		2017	
	Total	% of Total	Total	% of Total
Australia	\$ 296,190	15.6 %	\$ 306,899	11.6 %
China	537,612	28.5 %	667,686	25.2 %
Hong Kong	289,215	15.3 %	358,966	13.6 %
India	203,596	10.8 %	256,460	9.7 %
Indonesia	52,321	2.8 %	74,874	2.8 %
Japan	-	- %	122,015	4.6 %
Korea	191,134	10.1 %	334,952	12.7 %
Malaysia	-	- %	19,940	0.8 %
Philippines	22,467	1.2 %	34,628	1.3 %
Singapore	64,259	3.4 %	135,880	5.1 %
Taiwan	184,261	9.7 %	220,197	8.3 %
Thailand	36,577	1.9 %	63,305	2.4 %
United Kingdom	-	- %	36,483	1.4 %
United States	15,693	0.7 %	12,201	0.5 %
Total Equities	<u>\$ 1,893,325</u>	<u>100.0 %</u>	<u>\$ 2,644,486</u>	<u>100.0 %</u>

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

As described in note 8 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, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,893,325	\$ -	\$ 1,893,325
Money Market Funds	3,949	-	3,949
Total Investments	<u>\$ 1,897,274</u>	<u>\$ -</u>	<u>\$ 1,897,274</u>

	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,644,486	\$ -	\$ 2,644,486
Money Market Funds	1,623	-	1,623
Total Investments	<u>\$ 2,646,109</u>	<u>\$ -</u>	<u>\$ 2,646,109</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 2018 and 2017, 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 2,347,990	\$ 3,949

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

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, 2018	December 31, 2017
Assets			
Cash		\$ 13,134	\$ 16,024
Dividends receivable		1,204	1,407
Security lending revenue receivable		121	67
Withholding taxes receivable		4,599	2,914
Investments		<u>1,869,122</u>	<u>2,006,596</u>
		<u>1,888,180</u>	<u>2,027,008</u>
Liabilities			
External management fees payable		1,933	3,039
BCI cost recoveries payable	4	6,310	5,497
Other accounts payable		<u>119</u>	<u>147</u>
		<u>8,362</u>	<u>8,683</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,879,818</u></u>	<u><u>\$ 2,018,325</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>821.347</i>	<i>821.347</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,289</u></u>	<u><u>\$ 2,457</u></u>

Statement of Comprehensive (Loss)/Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 200	\$ 185
Dividend income		66,168	86,337
Securities lending income		989	1,576
Foreign exchange loss		(562)	(451)
Change in fair value of investments:			
Net realized gain		26,719	635,138
Net change in unrealized appreciation		<u>(212,845)</u>	<u>(130,533)</u>
Total revenue (loss)		<u>(119,331)</u>	<u>592,252</u>
Expenses:			
BCI cost recoveries	4	2,354	7,091
External management fees		7,044	12,483
Administrative fees		595	301
Commissions and stock exchange fees		1,574	2,746
Withholding taxes	6	<u>7,609</u>	<u>8,944</u>
Total operating expenses		<u>19,176</u>	<u>31,565</u>
(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(138,507)</u>	<u>560,687</u>
Distributions to holders of redeemable units:			
From net investment income		(43,840)	(64,321)
From net realized gains on investments		<u>(23,492)</u>	<u>(141,846)</u>
		<u>(67,332)</u>	<u>(206,167)</u>
(Decrease) increase in net assets attributable to holders of redeemable units		<u><u>\$ (205,839)</u></u>	<u><u>\$ 354,520</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, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 2,018,325	\$ 2,763,429
(Decrease) increase in net assets attributable to holders of redeemable units	(205,839)	354,520
Redeemable unit transactions:		
Proceeds from units issued	-	264,070
Reinvestment of distributions	67,332	206,167
Amounts paid for units redeemed	-	(1,569,861)
Net increase (decrease) from redeemable unit transactions	67,332	(1,099,624)
Balance, end of year	\$ 1,879,818	\$ 2,018,325

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (205,839)	\$ 354,520
Adjustments for:		
Foreign exchange loss	562	451
Interest income	(200)	(185)
Dividend income	(66,168)	(86,337)
Withholding taxes	7,609	8,944
Net realized gain from investments	(26,719)	(635,138)
Net change in unrealized appreciation of investments	212,845	130,533
Non cash distributions	67,332	206,167
Proceeds from sale of investments	1,029,655	3,337,698
Amounts paid for purchase of investments	(1,078,307)	(2,101,607)
Security lending revenue receivable	(54)	8
External management fees payable	(1,106)	487
BCI cost recoveries payable	813	5,313
Other accounts payable	(28)	127
Interest received	200	185
Dividends received	66,371	86,063
Withholding taxes paid	(9,294)	(8,912)
	(2,328)	1,298,317
Financing activities:		
Proceeds from issuance of redeemable units	-	264,070
Payments on redemption of redeemable units	-	(1,569,861)
	-	(1,305,791)
Net decrease in cash	(2,328)	(7,474)
Effect of exchange rate changes on cash	(562)	(451)
Cash, beginning of year	16,024	23,949
Cash, end of year	\$ 13,134	\$ 16,024

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,866,684	\$ 1,703,038	\$ 2,006,023	\$ 1,629,533
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	2,335	2,337	573	572
Fund ST3	103	101	-	-
	<u>2,438</u>	<u>2,438</u>	<u>573</u>	<u>572</u>
Total Investments	<u>\$ 1,869,122</u>	<u>\$ 1,705,476</u>	<u>\$ 2,006,596</u>	<u>\$ 1,630,105</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

The investment objective of the Active European Equity Fund (the "Fund") is to exceed the return of the Fund's benchmark by 136 basis points per annum, net of all investment expenses incurred. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") Europe Net Index (the "Index"), net of cost of passive implementation. 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 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 BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in BCI's 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 7 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 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

ACTIVE EUROPEAN EQUITY 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)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable	Net Exposure	% of Total Net Assets
British Pound Sterling	279,964	-	279,964	14.9 %
Czech Koruna	11,920	-	11,920	0.6 %
Danish Krone	39,939	-	39,939	2.1 %
Euro	947,300	-	947,300	50.4 %
Hungarian Forint	17,534	-	17,534	0.9 %
Norwegian Krone	61,650	-	61,650	3.3 %
Polish Zloty	7,064	-	7,064	0.4 %
Swedish Krona	124,158	-	124,158	6.6 %
Swiss Franc	203,129	-	203,129	10.8 %
Turkish Lira	54,064	-	54,064	2.9 %
United States Dollar	131,195	-	131,195	7.0 %
Net Foreign Exchange Exposure	\$ 1,877,917	\$ -	\$ 1,877,917	99.9 %

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

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 %

As at December 31, 2018, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$18,779,170 (2017 - \$20,177,500), representing 1.0% of the Fund's net assets (2017 - 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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 134,319	7.2 %	\$ 168,764	8.4 %
Consumer Staples	170,670	9.1 %	129,457	6.5 %
Energy	255,894	13.7 %	249,288	12.4 %
Financials	403,518	21.7 %	468,083	23.3 %
Health Care	389,616	20.9 %	171,392	8.5 %
Industrial Products	204,293	10.9 %	358,435	17.9 %
Information Technology	76,472	4.1 %	187,796	9.4 %
Materials	114,176	6.1 %	190,672	9.5 %
Real Estate	19,790	1.1 %	45,930	2.3 %
Telecommunication Services	85,980	4.6 %	20,363	1.0 %
Utilities	11,956	0.6 %	15,843	0.8 %
Total Equities	<u>\$ 1,866,684</u>	<u>100.0 %</u>	<u>\$ 2,006,023</u>	<u>100.0 %</u>

As at December 31, 2018 and 2017, 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 \$177,532,900 (2017 - \$195,949,000) or 9.4% (2017 - 9.7%) 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, 2018 and 2017, 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**

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Austria	9,926	0.5 %	14,480	0.7 %
Belgium	68,821	3.7 %	21,920	1.1 %
Czech Republic	11,908	0.6 %	-	- %
Denmark	39,326	2.1 %	18,191	0.9 %
Finland	91,229	4.9 %	95,528	4.8 %
France	219,515	11.8 %	217,182	10.8 %
Germany	178,323	9.6 %	326,889	16.3 %
Greece	2,505	0.1 %	1,916	0.1 %
HUNGARY	17,534	0.9 %	4,881	0.2 %
Ireland	22,187	1.2 %	13,146	0.7 %
Italy	58,731	3.1 %	74,215	3.7 %
Netherlands	200,103	10.7 %	170,284	8.5 %
Norway	60,155	3.2 %	50,543	2.5 %
Poland	7,064	0.4 %	8,506	0.4 %
Portugal	6,897	0.4 %	3,933	0.2 %
Russia	31,331	1.7 %	37,877	1.9 %
Spain	73,253	3.9 %	90,094	4.5 %
Sweden	124,158	6.7 %	158,734	7.9 %
Switzerland	201,630	10.8 %	180,628	9.0 %
Turkey	52,779	2.8 %	89,253	4.4 %
United Kingdom	389,309	21.0 %	427,823	21.4 %
United States	-	(0.1)%	-	- %
Total Equities	<u>\$ 1,866,684</u>	<u>100.0 %</u>	<u>\$ 2,006,023</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

As described in note 8 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, 2018		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Public Equities	\$ 1,866,684	\$ -	\$ 1,866,684
Money Market Funds	2,438	-	2,438
Total Investments	<u>\$ 1,869,122</u>	<u>\$ -</u>	<u>\$ 1,869,122</u>

	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	<u>\$ 2,006,596</u>	<u>\$ -</u>	<u>\$ 2,006,596</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 2018 and 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 3,170,185	\$ 2,438

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

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, 2018	December 31, 2017
Assets			
Cash		\$ 44,758	\$ 88,542
Receivable from sale of investments		-	9,461
Dividends receivable		1,636	1,924
Security lending revenue receivable		38	54
Withholding taxes receivable		2,350	1,256
Derivative assets:			
Foreign currency contracts		-	3
Investments		3,259,698	3,174,214
		<u>3,308,480</u>	<u>3,275,454</u>
Liabilities			
Payable for purchase of investments		-	24,256
External management fees payable		2,942	4,046
BCI cost recoveries payable	4	8,025	6,676
Other accounts payable		92	81
Derivative liabilities:			
Foreign currency contracts		-	19
Swaps	4	44,168	-
		<u>55,227</u>	<u>35,078</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,253,253</u>	<u>\$ 3,240,376</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,319.281</i>	<i>1,321.096</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,466</u>	<u>\$ 2,453</u>

Statement of Comprehensive (Loss)/Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 5,106	\$ 500
Dividend income		54,123	55,087
Securities lending income		469	650
Foreign exchange gain (loss)		31	(1,607)
Change in fair value of investments and derivatives:			
Net realized gain		146,521	271,688
Net change in unrealized appreciation		(164,888)	190,506
Total revenue		<u>41,362</u>	<u>516,824</u>
Expenses:			
BCI cost recoveries	4	3,227	8,282
External management fees		14,622	14,510
Administrative fees		284	201
Commissions and stock exchange fees		2,437	3,339
Withholding taxes	6	3,591	3,445
Total operating expenses		<u>24,161</u>	<u>29,777</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>17,201</u>	<u>487,047</u>
Distributions to holders of redeemable units:			
From net investment income		(31,458)	(34,811)
From net realized gains on investments and derivatives		(143,235)	(264,837)
		<u>(174,693)</u>	<u>(299,648)</u>
(Decrease) increase in net assets attributable to holders of redeemable units		<u>\$ (157,492)</u>	<u>\$ 187,399</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 GLOBAL EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 3,240,376	\$ 3,418,019
(Decrease) increase in net assets attributable to holders of redeemable units	(157,492)	187,399
Redeemable unit transactions:		
Proceeds from units issued	-	54,580
Reinvestment of distributions	174,693	299,648
Amounts paid for units redeemed	(4,324)	(719,270)
Net increase (decrease) from redeemable unit transactions	170,369	(365,042)
Balance, end of year	\$ 3,253,253	\$ 3,240,376

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (157,492)	\$ 187,399
Adjustments for:		
Foreign exchange loss (gain)	(31)	1,607
Interest income	(5,106)	(500)
Dividend income	(54,123)	(55,087)
Withholding taxes	3,591	3,445
Net realized gain from investments and derivatives	(146,521)	(271,688)
Net change in unrealized appreciation of investments and derivatives	164,888	(190,506)
Non cash distributions	174,693	299,648
Proceeds from sale of investments	2,619,482	2,445,470
Amounts paid for purchase of investments	(2,679,181)	(1,833,502)
Receivable from sale of investments	9,461	(5,846)
Security lending revenue receivable	16	(27)
Payable for purchase of investments	(24,256)	24,256
External management fees payable	(1,104)	(1,267)
BCI cost recoveries payable	1,349	6,439
Other accounts payable	11	63
Interest received	5,106	500
Dividends received	54,411	56,149
Withholding taxes paid	(4,685)	(3,533)
	<u>(39,491)</u>	<u>663,020</u>
Financing activities:		
Proceeds from issuance of redeemable units	-	54,580
Payments on redemption of redeemable units	(4,324)	(719,270)
	<u>(4,324)</u>	<u>(664,690)</u>
Net decrease in cash	(43,815)	(1,670)
Effect of exchange rate changes on cash	31	(1,607)
Cash, beginning of year	88,542	91,819
Cash, end of year	\$ 44,758	\$ 88,542

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,101,703	\$ 1,319,947	\$ 3,170,931	\$ 2,269,509
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	1,205	1,207	1,002	1,002
Fund ST3	1	1	2,281	2,451
CDOR 2 Floating Rate Fund	1,156,789	1,158,027	-	-
	<u>1,157,995</u>	<u>1,159,235</u>	<u>3,283</u>	<u>3,453</u>
Total Investments	<u>\$ 3,259,698</u>	<u>\$ 2,479,182</u>	<u>\$ 3,174,214</u>	<u>\$ 2,272,962</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 1,154,000	\$ -	\$ (44,168)

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Currency derivatives			
Listed			
OTC			
Forwards	\$ 11,522	\$ 3	\$ (19)

Derivative Assets and Liabilities (continued)			
as at December 31			
(all amounts in thousands)			

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 1,154,000	\$ 11,522

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 by 89 basis points per annum, net of all investment expenses incurred. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"), net of cost of passive implementation. 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 BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in BCI's 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 7 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 assets and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018		
	Carrying Value	Less than 3 months	Total
Derivative assets	\$ -	\$ -	\$ -
Derivative liabilities	(44,168)	(44,168)	(44,168)
	<u>\$ (44,168)</u>	<u>\$ (44,168)</u>	<u>\$ (44,168)</u>

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017		
	Carrying Value	Less than 3 months	Total
Derivative assets	\$ 3	\$ 3	\$ 3
Derivative liabilities	(19)	(19)	(19)
	<u>\$ (16)</u>	<u>\$ (16)</u>	<u>\$ (16)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

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

Currency Risk

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

CURRENCY (in 000s)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 52,127	\$ -	\$ 52,127	1.6 %
British Pound Sterling	158,961	-	158,961	4.9 %
Danish Krone	60,458	-	60,458	1.9 %
Euro	384,740	-	384,740	11.8 %
Hong Kong Dollar	178,005	-	178,005	5.5 %
Indian Rupee	65,967	-	65,967	2.0 %
Israeli Shekel	1,146	-	1,146	- %
Japanese Yen	269,454	-	269,454	8.3 %
New Zealand Dollar	928	-	928	- %
Norwegian Krone	2,941	-	2,941	0.1 %
Singapore Dollar	5,501	-	5,501	0.2 %
South African Rand	12,133	-	12,133	0.4 %
Swedish Krona	27,628	-	27,628	0.8 %
Swiss Franc	140,809	-	140,809	4.3 %
United States Dollar	704,113	(87)	704,026	21.6 %
Net Foreign Exchange Exposure	\$ 2,064,911	\$ (87)	\$ 2,064,824	63.4 %

Financial Risk Management Discussion (continued)
as at December 31

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables	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 %

As at December 31, 2018, 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 \$20,648,000 (2017 - \$31,746,000), representing 0.6% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

In addition, the Fund is exposed to currency risk through its equity derivative contracts in which the underlying securities may be denominated in a foreign currency.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 307,575	14.6 %	\$ 448,692	14.2 %
Consumer Staples	229,302	10.9 %	212,785	6.7 %
Energy	145,169	6.9 %	146,679	4.6 %
Financials	202,798	9.6 %	534,210	16.8 %
Health Care	351,855	16.7 %	405,684	12.8 %
Industrials	144,133	6.9 %	313,216	9.9 %
Information Technology	424,248	20.4 %	843,706	26.6 %
Materials	97,488	4.6 %	148,621	4.7 %
Real Estate	46,860	2.2 %	-	- %
Telecommunication Services	128,284	6.1 %	77,212	2.4 %
Utilities	23,991	1.1 %	40,126	1.3 %
Total Equities	<u>\$ 2,101,703</u>	<u>100.0 %</u>	<u>\$ 3,170,931</u>	<u>100.0 %</u>

As at December 31, 2018 and 2017, 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 \$311,497,925 (2017 - \$303,319,000) or 9.6% (2017 - 9.4%) 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, 2018 and 2017, 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)	2018		2017	
	Total	% of Total	Total	% of Total
Australia	\$ 24,284	1.3 %	\$ 25,604	0.9 %
Canada	19,090	0.9 %	55,716	1.8 %
China	39,763	1.9 %	105,268	3.3 %
Denmark	52,735	2.5 %	57,192	1.8 %
Finland	10,097	0.5 %	10,463	0.3 %
France	94,003	4.5 %	194,843	6.1 %
Germany	53,887	2.6 %	66,604	2.1 %
Hong Kong	122,990	5.9 %	114,612	3.6 %
India	65,966	3.1 %	70,032	2.2 %
Ireland	13,790	0.7 %	17,238	0.5 %
Italy	-	- %	15,748	0.5 %
Japan	170,319	7.8 %	319,010	10.1 %
Korea	-	- %	17,317	0.5 %
Netherlands	26,220	1.2 %	29,201	0.9 %
South Africa	8,102	0.4 %	-	- %
Spain	22,340	1.1 %	43,699	1.4 %
Sweden	16,609	0.8 %	29,544	0.9 %
Switzerland	104,545	5.0 %	128,023	4.0 %
Taiwan	31,659	1.5 %	76,712	2.4 %
United Kingdom	125,252	6.0 %	144,338	4.6 %
United States	1,100,052	52.3 %	1,649,767	52.1 %
Total Equities	<u>\$ 2,101,703</u>	<u>100.0 %</u>	<u>\$ 3,170,931</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 8 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, 2018		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 2,101,703	-	\$ 2,101,703
Money Market Funds	1,206	-	1,206
Floating Rate Funds	1,156,789	-	1,156,789
Total Investments	\$ 3,259,698	\$ -	\$ 3,259,698
Swaps, Net	-	(44,168)	(44,168)
Total	\$ 3,259,698	\$ (44,168)	\$ 3,215,530

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 3,170,931	\$ -	\$ 3,170,931
Money Market Funds	3,283	-	3,283
Total Investments	\$ 3,174,214	\$ -	\$ 3,174,214
Foreign Currency Contracts, Net	-	(16)	(16)
Total	\$ 3,174,214	\$ (16)	\$ 3,174,198

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 2018 and 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 6,555,242	\$ 1,157,995

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	\$ 3,283

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Cash		\$ 5,282	\$ 3,545
Receivable from sale of investments		1,517	-
Dividends receivable		4,294	2,493
Security lending revenue receivable		81	53
Withholding taxes receivable		3,709	2,978
Derivative assets:			
Foreign currency contracts		1	-
Swaps		19,196	4,332
Investments		3,277,854	3,249,851
		<u>3,311,934</u>	<u>3,263,252</u>
Liabilities			
Payable for purchase of investments		4,886	767
BCI cost recoveries payable	4	1,871	1,117
Other accounts payable		122	50
Payable to BCI pooled investment portfolio	4	21,736	-
Derivative liabilities:			
Foreign currency contracts		10	-
Swaps		8,877	9,962
		<u>37,502</u>	<u>11,896</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,274,432</u>	<u>\$ 3,251,356</u>
<i>Number of redeemable units outstanding</i>	5	<i>1,184.327</i>	<i>1,184.327</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,765</u>	<u>\$ 2,745</u>

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 1,536	\$ 1,196
Dividend income		74,099	68,953
Securities lending income		800	835
Foreign exchange gain (loss)		982	(306)
Change in fair value of investments and derivatives:			
Net realized gain		185,783	412,752
Net change in unrealized appreciation		(225,434)	(47,887)
Total revenue		<u>37,766</u>	<u>435,543</u>
Expenses:			
BCI cost recoveries	4	5,691	3,064
Administrative fees		254	216
Commissions and stock exchange fees		5,221	2,541
Withholding taxes	6	3,524	3,064
Total operating expenses		<u>14,690</u>	<u>8,885</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>23,076</u>	<u>426,658</u>
Distributions to holders of redeemable units:			
From net investment income		(67,021)	(65,755)
From net realized gains on investments and derivatives		(211,347)	(403,779)
		<u>(278,368)</u>	<u>(469,534)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (255,292)</u>	<u>\$ (42,876)</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

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 3,251,356	\$ 2,821,458
Decrease in net assets attributable to holders of redeemable units	(255,292)	(42,876)
Redeemable unit transactions:		
Proceeds from units issued	71,300	3,240
Reinvestment of distributions	278,368	469,534
Amounts paid for units redeemed	(71,300)	-
Net increase from redeemable unit transactions	278,368	472,774
Balance, end of year	\$ 3,274,432	\$ 3,251,356

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (255,292)	\$ (42,876)
Adjustments for:		
Foreign exchange loss (gain)	(982)	306
Interest income	(1,536)	(1,196)
Dividend income	(74,099)	(68,953)
Withholding taxes	3,524	3,064
Net realized gain from investments and derivatives	(185,783)	(412,752)
Net change in unrealized appreciation of investments and derivatives	225,434	47,887
Non cash distributions	278,368	469,534
Proceeds from sale of investments	7,524,858	5,870,624
Amounts paid for purchase of investments	(7,608,452)	(5,932,847)
Receivable from sale of investments	(1,517)	-
Security lending revenue receivable	(28)	(17)
Payable to BCI pooled investment portfolio	21,736	-
Payable for purchase of investments	4,119	(804)
Interest payable	-	(3)
BCI cost recoveries payable	754	892
Other accounts payable	72	43
Interest received	1,536	1,196
Dividends received	72,298	69,449
Withholding taxes paid	(4,255)	(5,253)
	755	(1,706)
Financing activities:		
Proceeds from issuance of redeemable units	71,300	3,240
Payments on redemption of redeemable units	(71,300)	-
	-	3,240
Net increase in cash	755	1,534
Effect of exchange rate changes on cash	982	(306)
Cash, beginning of year	3,545	2,317
Cash, end of year	\$ 5,282	\$ 3,545

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,269,335	\$ 3,132,479	\$ 3,027,856	\$ 2,649,734
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	-	-	303	303
CDOR 1 Floating Rate Fund	1,506	1,508	215,389	214,877
LIBOR Floating Rate Fund	7,013	6,594	6,303	6,406
	<u>8,519</u>	<u>8,102</u>	<u>221,995</u>	<u>221,586</u>
Total Investments	<u>\$ 3,277,854</u>	<u>\$ 3,140,581</u>	<u>\$ 3,249,851</u>	<u>\$ 2,871,320</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Derivative Assets and Liabilities
as at December 31
(all amounts in thousands)

	2018		
	<u>Fair Value</u>		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 1,502,975	\$ 19,196	\$ (8,877)
Currency derivatives			
Listed			
OTC			
Forwards	2,718	1	(10)
Total	<u>\$ 1,505,693</u>	<u>\$ 19,197</u>	<u>\$ (8,887)</u>

	2017		
	<u>Fair Value</u>		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 2,023,074	\$ 4,332	\$ (9,962)
Currency derivatives			
Listed			
OTC			
Forwards	600	-	-
Total	<u>\$ 2,023,674</u>	<u>\$ 4,332</u>	<u>\$ (9,962)</u>

Derivative Assets and Liabilities (continued)
as at December 31
(all amounts in thousands)

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 4,223	\$ 600
3 to 12 months	<u>1,501,470</u>	<u>2,023,074</u>
Total	<u>\$ 1,505,693</u>	<u>\$ 2,023,674</u>

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

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

The Global Quantitative Active 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 benchmark used is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"), net of cost of passive implementation. The Fund's objective is to exceed the return of the benchmark by 89 basis points per annum, net of all investment expenses incurred. 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 BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and/or U.S. Dollar Money Market Fund ST3, and
- units in BCI's 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**

- 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.

Note 7 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.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Liquidity Risk

The Fund's payable to a BCI pooled investment portfolio and other non-derivative liabilities are due within nine and three months of the year-end of the fund, respectively.

The following were the contractual maturities of derivative financial assets and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 19,197	\$ 14	\$ 19,183	\$ 19,197
Derivative liabilities	(8,887)	-	(8,887)	(8,887)
	<u>\$ 10,310</u>	<u>\$ 14</u>	<u>\$ 10,296</u>	<u>\$ 10,310</u>

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 4,332	\$ -	\$ 4,332	4,332
Derivative liabilities	(9,962)	-	(9,962)	(9,962)
	<u>\$ (5,630)</u>	<u>\$ -</u>	<u>\$ (5,630)</u>	<u>\$ (5,630)</u>

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)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 59,519	\$ -	\$ 59,519	1.8 %
British Pound Sterling	190,155	-	190,155	5.8 %
Danish Krone	30,175	-	30,175	0.9 %
Euro	371,683	-	371,683	11.4 %
Hong Kong Dollar	65,274	-	65,274	2.0 %
Israeli Shekel	5,807	-	5,807	0.2 %
Japanese Yen	288,097	(1,532)	286,565	8.8 %
New Zealand Dollar	897	-	897	- %
Norwegian Krone	11,138	-	11,138	0.3 %
Singapore Dollar	17,867	-	17,867	0.5 %
Swedish Krona	34,264	-	34,264	1.0 %
Swiss Franc	97,928	-	97,928	3.0 %
United States Dollar	2,104,022	322	2,104,344	64.3 %
Net Foreign Exchange Exposure	<u>\$ 3,276,826</u>	<u>\$ (1,210)</u>	<u>\$ 3,275,616</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

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

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	\$ 3,251,859	\$ -	\$ 3,251,859	100.0 %

As at December 31, 2018, 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 \$32,756,000 (2017 - \$32,519,000), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

In addition, the Fund is exposed to currency risk through its equity derivative contracts in which the underlying securities may be denominated in a foreign currency.

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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 354,950	10.9 %	\$ 389,225	12.8 %
Consumer Staples	284,164	8.7 %	275,067	9.1 %
Energy	176,520	5.4 %	188,077	6.2 %
Financials	525,697	16.0 %	601,722	19.9 %
Health Care	440,990	13.5 %	368,838	12.2 %
Industrials	355,584	10.9 %	352,893	11.7 %
Information Technology	499,337	15.3 %	542,801	17.9 %
Materials	146,063	4.5 %	144,224	4.8 %
Real Estate	109,001	3.3 %	-	- %
Telecommunication Services	265,343	8.1 %	76,219	2.5 %
Utilities	111,686	3.4 %	88,790	2.9 %
Total Equities	\$ 3,269,335	100.0 %	\$ 3,027,856	100.0 %

As at December 31, 2018 and 2017, 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 \$470,002,000 (2017 - \$302,128,000) or 14.4% (2017 - 9.3%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2018 and 2017, 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

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Australia	\$ 59,397	1.8 %	\$ 38,907	1.3 %
Austria	14,247	0.4 %	5,029	0.2 %
Belgium	10,136	0.3 %	28,214	0.9 %
Denmark	29,691	0.9 %	26,583	0.9 %
Finland	12,759	0.4 %	7,630	0.3 %
France	104,059	3.2 %	85,468	2.8 %
Germany	88,739	2.7 %	110,317	3.6 %
Hong Kong	68,300	2.1 %	26,228	0.9 %
Ireland	5,969	0.2 %	1,170	- %
Israel	6,084	0.2 %	5,143	0.2 %
Italy	32,386	1.0 %	60,933	2.0 %
Japan	285,899	8.7 %	157,749	5.2 %
Netherlands	38,310	1.2 %	51,587	1.7 %
New Zealand	861	- %	1,607	0.1 %
Norway	11,107	0.3 %	12,100	0.4 %
Portugal	6,707	0.2 %	4,617	0.2 %
Singapore	17,777	0.5 %	10,401	0.3 %
Spain	38,970	1.2 %	62,947	2.1 %
Sweden	34,209	1.0 %	33,693	1.1 %
Switzerland	96,190	2.9 %	72,032	2.4 %
United Kingdom	210,558	6.4 %	230,000	7.6 %
United States	2,096,980	64.4 %	1,995,501	65.8 %
Total Equities	<u>\$ 3,269,335</u>	<u>100.0 %</u>	<u>\$ 3,027,856</u>	<u>100.0 %</u>

Fair Value Measurement Discussion
as at December 31

As described in note 8 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, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 3,269,335	\$ -	\$ 3,269,335
Floating Rate Funds	8,519	-	8,519
Total Investments	\$ 3,277,854	\$ -	\$ 3,277,854
Swaps, net	-	10,319	10,319
Foreign currency contracts, net	-	(9)	(9)
Total	<u>\$ 3,277,854</u>	<u>\$ 10,310</u>	<u>\$ 3,288,164</u>

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
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, net	-	(5,630)	(5,630)
Total	<u>\$ 3,249,851</u>	<u>\$ (5,630)</u>	<u>\$ 3,244,221</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE 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 2018 and 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 13,113,059	\$ 8,519

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

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)				Statement of Comprehensive (Loss)/Income (all amounts in thousands)			
	Note	December 31, 2018	December 31, 2017		Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Assets				Revenue:			
Cash		\$ 10,142	\$ 4,509	Interest income		\$ 89,886	\$ 20,696
Receivable from sale of investments		1,676	-	Dividend income		269,460	87,937
Receivable from issuance of units		299,000	-	Securities lending income		2,615	688
Dividends receivable		9,203	8,792	Foreign exchange loss		(5,931)	(15,870)
Security lending revenue receivable		141	112	Change in fair value of investments and derivatives:			
Withholding taxes receivable		4,858	1,097	Net realized gain		732,684	524,025
Receivable from BCI pooled investment portfolio	4	21,736	-	Net change in unrealized appreciation		(1,145,582)	327,304
Derivative assets:				Total revenue (loss)		(56,868)	944,780
Swaps	4	56,898	60,802	Expenses:			
Investments		15,523,479	11,499,953	BCI cost recoveries	4	10,625	5,779
		15,927,133	11,575,265	Administrative fees		793	200
Liabilities				Commissions and stock exchange fees		2,956	1,384
Payable for purchase of investments		6,326	1,021	Withholding taxes	6	12,423	3,148
Payable for redemption of units		299,000	-	Total operating expenses		26,797	10,511
BCI cost recoveries payable	4	3,517	2,492				
Other accounts payable		302	67	(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		(83,665)	934,269
Derivative liabilities:				Distributions to holders of redeemable units:			
Swaps	4	350,225	14,799	From net investment income		(330,132)	(81,500)
		659,370	18,379	From net realized gains on investments and derivatives		(766,781)	(528,943)
Net assets attributable to holders of redeemable units		\$ 15,267,763	\$ 11,556,886			(1,096,913)	(610,443)
<i>Number of redeemable units outstanding</i>	5	<i>5,931.507</i>	<i>4,498.593</i>	(Decrease) increase in net assets attributable to holders of redeemable units		\$ (1,180,578)	\$ 323,826
Net assets attributable to holders of redeemable units per unit		\$ 2,574	\$ 2,569				

[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, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 11,556,886	\$ 3,551,338
(Decrease) increase in net assets attributable to holders of redeemable units	(1,180,578)	323,826
Redeemable unit transactions:		
Proceeds from units issued	6,850,505	9,131,200
Reinvestment of distributions	1,096,913	610,443
Amounts paid for units redeemed	(3,055,963)	(2,059,921)
Net increase from redeemable unit transactions	4,891,455	7,681,722
Balance, end of year	\$ 15,267,763	\$ 11,556,886

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (1,180,578)	\$ 323,826
Adjustments for:		
Foreign exchange loss	5,931	15,870
Interest income	(89,886)	(20,696)
Dividend income	(269,460)	(87,937)
Withholding taxes	12,423	3,148
Net realized gain from investments and derivatives	(732,684)	(524,025)
Net change in unrealized appreciation of investments and derivatives	1,145,582	(327,304)
Non cash distributions	1,096,913	610,443
Proceeds from sale of investments	12,004,113	3,391,933
Amounts paid for purchase of investments	(16,101,207)	(10,539,227)
Receivable from sale of investments	(1,676)	58
Security lending revenue receivable	(29)	(112)
Receivable from BCI pooled investment portfolio	(21,736)	-
Payable for purchase of investments	5,305	204
BCI cost recoveries payable	1,025	2,216
Other accounts payable	235	62
Interest received	89,886	20,696
Dividends received	269,049	81,741
Withholding taxes paid	(16,184)	(3,625)
	<u>(3,782,978)</u>	<u>(7,052,729)</u>
Financing activities:		
Proceeds from issuance of redeemable units	6,551,505	9,131,200
Payments on redemption of redeemable units	(2,756,963)	(2,059,921)
	<u>3,794,542</u>	<u>7,071,279</u>
Net increase in cash	11,564	18,550
Effect of exchange rate changes on cash	(5,931)	(15,870)
Cash, beginning of year	4,509	1,829
Cash, end of year	\$ 10,142	\$ 4,509

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 7,303,055	\$ 6,982,063	\$ 9,000,190	\$ 7,866,837
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	-	-	389	390
CDOR 1 Floating Rate Fund	8,162,651	8,165,960	2,226,435	2,224,004
LIBOR Floating Rate Fund	57,773	55,313	272,939	282,211
	<u>8,220,424</u>	<u>8,221,273</u>	<u>2,499,763</u>	<u>2,506,605</u>
Total Investments	<u>\$15,523,479</u>	<u>\$ 15,203,336</u>	<u>\$ 11,499,953</u>	<u>\$ 10,373,442</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 10,509,227	\$ 56,898	\$ (350,225)

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Currency derivatives			
OTC			
Swaps	\$ 2,497,120	\$ 60,802	\$ (14,799)

Derivative Assets and Liabilities (continued)			
as at December 31			
(all amounts in thousands)			

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 9,967,911	\$ 109,411
3 to 12 months	541,316	2,387,709
Total	\$ 10,509,227	\$ 2,497,120

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 Fund's benchmark. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"), net of cost of passive implementation. The Fund's performance objective is to replicate the returns of the Index. 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 BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3, and
- units in BCI's 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 7 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 assets and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 56,898	\$ 56,898	\$ -	\$ 56,898
Derivative liabilities	(350,225)	(306,413)	(43,812)	(350,225)
	<u>\$ (293,327)</u>	<u>\$ (249,515)</u>	<u>\$ (43,812)</u>	<u>\$ (293,327)</u>

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 60,802	\$ -	\$ 60,802	\$ 60,802
Derivative liabilities	(14,799)	(1,840)	(12,959)	(14,799)
	<u>\$ 46,003</u>	<u>\$ (1,840)</u>	<u>\$ 47,843</u>	<u>\$ 46,003</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing 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.

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)	2018			
	Net Investments and Investment-Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 404,428	\$ -	\$ 404,428	2.6 %
British Pound Sterling	966,399	-	966,399	6.3 %
Danish Krone	102,281	41	102,322	0.7 %
Euro	1,865,857	82	1,865,939	12.2 %
Hong Kong Dollar	208,108	-	208,108	1.4 %
Israeli Shekel	16,663	-	16,663	0.1 %
Japanese Yen	1,432,148	278	1,432,426	9.4 %
New Zealand Dollar	13,492	-	13,492	0.1 %
Norwegian Krone	42,780	-	42,780	0.3 %
Singapore Dollar	80,063	-	80,063	0.5 %
Swedish Krona	158,320	-	158,320	1.0 %
Swiss Franc	506,837	234	507,071	3.3 %
United States Dollar	10,037,996	(635)	10,037,361	65.7 %
Net Foreign Exchange Exposure	\$ 15,835,372	\$ -	\$ 15,835,372	103.7 %

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

CURRENCY (in 000s)	2017			
	Net Investments and Investment-Related Receivables	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 %

As at December 31, 2018, 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 \$158,354,000 (2017 - \$115,561,000), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

In addition, the Fund is exposed to currency risk through its equity derivative contracts in which the underlying securities may be denominated in a foreign currency.

See accompanying Notes to the Financial Statements.

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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 776,419	10.7 %	\$ 1,131,778	12.6 %
Consumer Staples	647,402	8.9 %	836,643	9.3 %
Energy	402,068	5.5 %	524,528	5.8 %
Financials	1,126,336	15.4 %	1,829,513	20.3 %
Health Care	1,018,659	13.9 %	1,105,343	12.3 %
Industrials	807,641	11.1 %	1,068,878	11.9 %
Information Technology	1,077,143	14.7 %	1,539,469	17.1 %
Materials	324,850	4.4 %	448,302	5.0 %
Real Estate	245,381	3.4 %	-	- %
Telecommunication Services	622,265	8.5 %	251,938	2.8 %
Utilities	254,891	3.5 %	263,798	2.9 %
Total Equities	<u>\$ 7,303,055</u>	<u>100.0 %</u>	<u>\$ 9,000,190</u>	<u>100.0 %</u>

As at December 31, 2018 and 2017, 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 \$1,814,768,000 (2017 - \$900,471,000) or 11.9% (2017 - 7.8%) 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, 2018 and 2017, 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**

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Australia	\$ 184,520	2.5 %	\$ 237,662	2.6 %
Austria	6,357	0.1 %	7,736	0.1 %
Belgium	25,247	0.3 %	38,170	0.4 %
Denmark	46,558	0.6 %	61,398	0.7 %
Finland	27,750	0.4 %	32,102	0.4 %
France	295,904	4.1 %	377,811	4.2 %
Germany	234,857	3.2 %	342,851	3.8 %
Hong Kong	104,336	1.4 %	124,003	1.4 %
Ireland	14,425	0.2 %	16,188	0.2 %
Israel	14,379	0.2 %	15,232	0.2 %
Italy	60,086	0.8 %	84,280	0.9 %
Japan	651,146	8.9 %	835,044	9.3 %
Netherlands	94,785	1.3 %	125,283	1.4 %
New Zealand	6,175	0.1 %	5,305	0.1 %
Norway	19,596	0.3 %	27,478	0.3 %
Portugal	4,217	0.1 %	5,575	0.1 %
Singapore	36,524	0.5 %	42,948	0.5 %
Spain	82,312	1.1 %	109,534	1.2 %
Sweden	72,266	1.0 %	92,812	1.0 %
Switzerland	230,360	3.2 %	278,556	3.1 %
United Kingdom	459,273	6.3 %	622,677	6.9 %
United States	4,631,982	63.4 %	5,517,545	61.2 %
Total Equities	<u>\$ 7,303,055</u>	<u>100.0 %</u>	<u>\$ 9,000,190</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

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

As described in note 8 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, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 7,303,055	\$ -	\$ 7,303,055
Floating Rate Funds	8,220,424	-	8,220,424
Total Investments	\$ 15,523,479	\$ -	\$ 15,523,479
Swaps, Net	-	(293,327)	(293,327)
Total	\$ 15,523,479	\$ (293,327)	\$ 15,230,152

	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(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, Net	-	46,003	46,003
Total	\$ 11,499,953	\$ 46,003	\$ 11,545,956

**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 2018 and 2017, 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 13,113,057	\$ 8,220,424

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	\$ 9,077,816	\$ 2,499,763

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, 2018	December 31, 2017
Assets			
Cash		\$ 2,035	\$ 1,860
Receivable from sale of investments		4,437	452
Dividends receivable		3,154	5,291
Security lending revenue receivable		59	68
Withholding taxes receivable		2,910	1,397
Derivative assets:			
Foreign currency contracts		33	-
Swaps		44	-
Investments		2,211,987	3,968,903
		<u>2,224,659</u>	<u>3,977,971</u>
Liabilities			
Payable for purchase of investments		6,393	447
BCI cost recoveries payable	4	1,083	845
Other accounts payable		128	58
Derivative liabilities:			
Foreign currency contracts		62	-
Swaps		1,276	-
		<u>8,942</u>	<u>1,350</u>
Net assets attributable to holders of redeemable units		<u>\$ 2,215,717</u>	<u>\$ 3,976,621</u>
<i>Number of redeemable units outstanding</i>	5	1,026.007	1,858.167
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,160</u>	<u>\$ 2,140</u>

Statement of Comprehensive (Loss)/Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income (loss)		\$ 519	\$ (8)
Dividend income		85,674	95,139
Securities lending income		876	918
Foreign exchange loss		(3,428)	(698)
Change in fair value of investments and derivatives:			
Net realized gain		609,122	41,948
Net change in unrealized appreciation		(553,145)	341,433
Total revenue		<u>139,618</u>	<u>478,732</u>
Expenses:			
BCI cost recoveries	4	3,458	3,612
Administrative fees		253	152
Commissions and stock exchange fees		377	207
Withholding taxes	6	4,584	4,170
Total operating expenses		<u>8,672</u>	<u>8,141</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>130,946</u>	<u>470,591</u>
Distributions to holders of redeemable units:			
From net investment income		(74,746)	(87,885)
From net realized gains on investments and derivatives		(609,860)	(42,821)
		<u>(684,606)</u>	<u>(130,706)</u>
(Decrease) increase in net assets attributable to holders of redeemable units		<u>\$ (553,660)</u>	<u>\$ 339,885</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, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 3,976,621	\$ 3,506,030
(Decrease) increase in net assets attributable to holders of redeemable units	(553,660)	339,885
Redeemable unit transactions:		
Reinvestment of distributions	684,606	130,706
Amounts paid for units redeemed	(1,891,850)	-
Net (decrease) increase from redeemable unit transactions	(1,207,244)	130,706
Balance, end of year	\$ 2,215,717	\$ 3,976,621

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (553,660)	\$ 339,885
Adjustments for:		
Foreign exchange loss	3,428	698
Interest loss (income)	(519)	8
Dividend income	(85,674)	(95,139)
Withholding taxes	4,584	4,170
Net realized gain from investments and derivatives	(609,122)	(41,948)
Net change in unrealized appreciation of investments and derivatives	553,145	(341,433)
Non cash distributions	684,606	130,706
Proceeds from sale of investments	2,509,695	319,589
Amounts paid for purchase of investments	(695,541)	(406,831)
Receivable from sale of investments	(3,985)	870
Security lending revenue receivable	9	(21)
Payable for purchase of investments	5,946	(2,363)
BCI cost recoveries payable	238	535
Other accounts payable	70	50
Interest paid	519	(8)
Dividends received	87,811	95,053
Withholding taxes paid	(6,097)	(4,488)
	<u>1,895,453</u>	<u>(667)</u>
Financing activities:		
Payments on redemption of redeemable units	(1,891,850)	-
Net increase (decrease) in cash	3,603	(667)
Effect of exchange rate changes on cash	(3,428)	(698)
Cash, beginning of year	1,860	3,225
Cash, end of year	\$ 2,035	\$ 1,860

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,176,361	\$ 1,725,074	\$ 3,968,853	\$ 2,964,686
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	-	-	50	50
CDOR 1 Floating Rate Fund	4,736	4,744	-	-
LIBOR Floating Rate Fund	30,890	29,886	-	-
	<u>35,626</u>	<u>34,630</u>	<u>50</u>	<u>50</u>
Total Investments	<u>\$ 2,211,987</u>	<u>\$ 1,759,704</u>	<u>\$ 3,968,903</u>	<u>\$ 2,964,736</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL ESG EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 35,291	\$ 44	\$ (1,276)
Currency derivatives			
OTC			
Forwards	13,797	33	(62)
Total	<u>\$ 49,088</u>	<u>\$ 77</u>	<u>\$ (1,338)</u>

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ -	\$ -	\$ -
Currency derivatives			
OTC			
Forwards	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Derivative Assets and Liabilities (continued)			
as at December 31			
(all amounts in thousands)			

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	<u>\$ 49,088</u>	<u>\$ -</u>

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 replicate the returns of the Morgan Stanley Capital International ("MSCI") World ESG Net Index (the "Index"), net of cost of passive implementation. 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 BCI's 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 7 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.

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**

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 assets and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018		
	Carrying Value	Less than 3 months	Total
Derivative assets	\$ 77	\$ 77	\$ 77
Derivative liabilities	(1,338)	(1,338)	(1,338)
	<u>\$ (1,261)</u>	<u>\$ (1,261)</u>	<u>\$ (1,261)</u>

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017		
	Carrying Value	Less than 3 months	Total
Derivative assets	\$ -	\$ -	\$ -
Derivative liabilities	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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)	2018			
	Net Investments and Investment-Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 73,207	\$ -	\$ 73,207	3.3 %
British Pound Sterling	87,396	-	87,396	3.9 %
Danish Krone	20,235	-	20,235	0.9 %
Euro	268,101	(17)	268,084	12.1 %
Hong Kong Dollar	17,721	-	17,721	0.8 %
Israeli Shekel	2,186	-	2,186	0.1 %
Japanese Yen	181,092	(3,659)	177,433	8.0 %
New Zealand Dollar	1,573	-	1,573	0.1 %
Norwegian Krone	7,849	-	7,849	0.4 %
Singapore Dollar	10,476	-	10,476	0.5 %
Swedish Krona	31,578	-	31,578	1.4 %
Swiss Franc	57,411	-	57,411	2.6 %
United States Dollar	1,378,865	(668)	1,378,197	62.2 %
Net Foreign Exchange Exposure	<u>\$ 2,137,690</u>	<u>\$ (4,344)</u>	<u>\$ 2,133,346</u>	<u>96.3 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL ESG EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

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 %

As at December 31, 2018, 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 \$21,333,000 (2017 - \$38,123,000), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

In addition, the Fund is exposed to currency risk through its equity derivative contracts in which the underlying securities may be denominated in a foreign currency.

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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 209,429	9.6 %	\$ 488,045	12.4 %
Consumer Staples	189,938	8.7 %	350,339	8.8 %
Energy	106,058	4.9 %	235,439	5.9 %
Financials	339,565	15.6 %	828,600	20.9 %
Health Care	279,556	12.8 %	483,951	12.2 %
Industrials	237,009	10.9 %	476,525	12.0 %
Information Technology	360,754	16.6 %	648,328	16.3 %
Materials	114,464	5.3 %	217,007	5.5 %
Real Estate	67,211	3.1 %	-	- %
Telecommunication Services	196,531	9.0 %	116,681	2.9 %
Utilities	75,846	3.5 %	123,938	3.1 %
Total Equities	\$ 2,176,361	100.0 %	\$ 3,968,853	100.0 %

As at December 31, 2018 and 2017, 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 \$220,449,000 (2017 - \$393,350,000) or 9.9% (2017 - 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, 2018 and 2017, 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 GLOBAL ESG EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Australia	\$ 72,998	3.4 %	\$ 137,436	3.5 %
Austria	1,173	0.1 %	1,849	- %
Belgium	5,528	0.3 %	6,626	0.2 %
Canada	78,647	3.6 %	164,438	4.1 %
Denmark	19,959	0.9 %	37,679	0.9 %
Finland	9,405	0.4 %	10,150	0.3 %
France	81,936	3.8 %	145,561	3.7 %
Germany	76,722	3.5 %	152,753	3.8 %
Hong Kong	17,721	0.8 %	29,771	0.8 %
Ireland	4,476	0.2 %	9,471	0.2 %
Israel	2,186	0.1 %	3,741	0.1 %
Italy	10,240	0.5 %	24,591	0.6 %
Japan	177,195	8.1 %	342,966	8.6 %
Netherlands	44,047	2.0 %	81,564	2.1 %
New Zealand	1,573	0.1 %	2,979	0.1 %
Norway	7,849	0.4 %	16,704	0.4 %
Portugal	2,355	0.1 %	4,348	0.1 %
Singapore	10,378	0.5 %	19,959	0.5 %
Spain	32,266	1.5 %	52,408	1.3 %
Sweden	31,578	1.5 %	59,212	1.5 %
Switzerland	55,693	2.6 %	136,590	3.4 %
United Kingdom	86,989	4.0 %	193,296	4.9 %
United States	1,345,447	61.6 %	2,334,761	58.9 %
Total Equities	<u>\$ 2,176,361</u>	<u>100.0 %</u>	<u>\$ 3,968,853</u>	<u>100.0 %</u>

Fair Value Measurement Discussion
as at December 31

As described in note 8 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, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 2,176,361	\$ -	\$ 2,176,361
Floating Rate Funds	35,626	-	35,626
Total Investments	\$ 2,211,987	\$ -	\$ 2,211,987
Swaps, Net	-	(1,232)	(1,232)
Foreign Currency Contracts, Net	-	(29)	(29)
Total	<u>\$ 2,211,987</u>	<u>\$ (1,261)</u>	<u>\$ 2,210,726</u>

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
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>

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**

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 2018 and 2017, there were no significant transfers between the three levels in the hierarchy.

**Fair Value Measurement Discussion (continued)
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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 13,113,057	\$ 35,626

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	\$ 5,272,375	\$ 50

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Cash		\$ 209,956	\$ 287,210
Receivable from sale of investments		4,570	37,450
Receivable from issuance of units		42,800	1,250
Dividends receivable		7,128	17,501
Security lending revenue receivable		44	120
Withholding taxes receivable		995	748
Derivative assets:			
Foreign currency contracts		21	10
Swaps		115,225	10,070
Investments		7,959,849	9,863,145
		<u>8,340,588</u>	<u>10,217,504</u>
Liabilities			
Payable for purchase of investments		5,302	30,074
Payable for redemption of units		38,650	-
External management fees payable		11,142	16,528
BCI cost recoveries payable	4	34,793	28,689
Other accounts payable		1,316	1,731
Derivative liabilities:			
Foreign currency contracts		5	12
		<u>91,208</u>	<u>77,034</u>
Net assets attributable to holders of redeemable units		<u>\$ 8,249,380</u>	<u>\$ 10,140,470</u>
<i>Number of redeemable units outstanding</i>	5	<i>5,530.111</i>	<i>6,152.941</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,492</u>	<u>\$ 1,648</u>

Statement of Comprehensive (Loss)/Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 20,954	\$ 2,603
Dividend income		195,071	228,853
Securities lending income		1,088	1,320
Foreign exchange gain (loss)		23,636	(12,830)
Change in fair value of investments and derivatives:			
Net realized gain		855,122	809,597
Net change in unrealized appreciation		<u>(1,816,134)</u>	<u>1,277,102</u>
Total revenue (loss)		<u>(720,263)</u>	<u>2,306,645</u>
Expenses:			
BCI cost recoveries	4	20,299	33,827
External management fees		41,263	63,440
Administrative fees		4,579	3,647
Commissions and stock exchange fees		18,066	15,514
Withholding taxes	6	<u>20,544</u>	<u>26,933</u>
Total operating expenses		<u>104,751</u>	<u>143,361</u>
(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(825,014)</u>	<u>2,163,284</u>
Distributions to holders of redeemable units:			
From net investment income		(125,429)	(120,954)
From net realized gains on investments and derivatives		<u>(844,131)</u>	<u>(783,058)</u>
		<u>(969,560)</u>	<u>(904,012)</u>
(Decrease) increase in net assets attributable to holders of redeemable units		<u>\$ (1,794,574)</u>	<u>\$ 1,259,272</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, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 10,140,470	\$ 8,283,770
(Decrease) increase in net assets attributable to holders of redeemable units	(1,794,574)	1,259,272
Redeemable unit transactions:		
Proceeds from units issued	107,832	672,756
Reinvestment of distributions	969,560	904,012
Amounts paid for units redeemed	(1,173,908)	(979,340)
Net (decrease) increase from redeemable unit transactions	(96,516)	597,428
Balance, end of year	\$ 8,249,380	\$ 10,140,470

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (1,794,574)	\$ 1,259,272
Adjustments for:		
Foreign exchange (gain) loss	(23,636)	12,830
Interest income	(20,954)	(2,603)
Dividend income	(195,071)	(228,853)
Withholding taxes	20,544	26,933
Net realized gain from investments and derivatives	(855,122)	(809,597)
Net change in unrealized appreciation of investments and derivatives	1,816,134	(1,277,102)
Non cash distributions	969,560	904,012
Proceeds from sale of investments	11,034,804	4,602,229
Amounts paid for purchase of investments	(10,197,693)	(4,328,939)
Receivable from sale of investments	32,880	(22,829)
Security lending revenue receivable	76	(56)
Payable for purchase of investments	(24,772)	20,365
External management fees payable	(5,386)	1,421
BCI cost recoveries payable	6,104	28,120
Other accounts payable	(415)	1,405
Interest received	20,954	2,603
Dividends received	205,444	229,746
Withholding taxes paid	(20,791)	(27,488)
	<u>968,086</u>	<u>391,469</u>
Financing activities:		
Proceeds from issuance of redeemable units	66,282	671,506
Payments on redemption of redeemable units	(1,135,258)	(979,340)
	<u>(1,068,976)</u>	<u>(307,834)</u>
Net (decrease) increase in cash	(100,890)	83,635
Effect of exchange rate changes on cash	23,636	(12,830)
Cash, beginning of year	287,210	216,405
Cash, end of year	\$ 209,956	\$ 287,210

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 5,514,442	\$ 5,014,578	\$ 9,621,524	\$ 7,203,998
Bonds:				
Corporate	130	133	-	-
Money Market				
Investments:				
Units in BCI Pooled				
Investment Portfolio:				
Fund ST1	4,812	4,816	177	177
Fund ST3	303	292	1,316	1,320
CDOR1 Floating Rate Fund	211,895	212,211	-	-
CDOR2 Floating Rate Fund	2,228,267	2,229,212	-	-
LIBOR Floating Rate Fund	-	-	240,128	237,736
	<u>2,445,277</u>	<u>2,446,531</u>	<u>241,621</u>	<u>239,233</u>
Total Investments	<u><u>\$ 7,959,849</u></u>	<u><u>\$ 7,461,242</u></u>	<u><u>\$ 9,863,145</u></u>	<u><u>\$ 7,443,231</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	2,430,986	115,225	-
Currency derivatives			
OTC			
Forwards	4,337	21	(5)
Total	<u>\$ 2,435,323</u>	<u>\$ 115,246</u>	<u>\$ (5)</u>

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	235,003	10,070	-
Currency derivatives			
OTC			
Forwards	9,293	10	(12)
Total	<u>\$ 244,296</u>	<u>\$ 10,080</u>	<u>\$ (12)</u>

Derivative Assets and Liabilities (continued)			
as at December 31			
(all amounts in thousands)			

The terms to maturity based on notional value for the derivatives were as follows at

	December 31 2018	December 31 2017
Less than 3 months	\$ 4,337	\$ 9,293
3 to 12 months	<u>2,430,986</u>	<u>235,003</u>
Total	<u><u>\$ 2,435,323</u></u>	<u><u>244,296</u></u>

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Derivative Assets and Liabilities

as at December 31

(all amounts in thousands)

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 Fund's benchmark. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") Emerging Markets Net Index (the "Index"), net of cost of passive implementation. The objective of the Fund is to exceed the benchmark return by 160 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 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 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, and
- money market securities rated A-1 (low) or better, units of BCI's 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.

Derivative Assets and Liabilities (continued)

as at December 31

(all amounts in thousands)

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 7 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 assets and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 115,246	\$ 21	\$ 115,225	\$ 115,246
Derivative liabilities	(5)	(5)	-	(5)
	<u>\$ 115,241</u>	<u>\$ 16</u>	<u>\$ 115,225</u>	<u>\$ 115,241</u>

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 10,080	\$ 10	\$ 10,070	\$ 10,080
Derivative liabilities	(12)	(12)	-	(12)
	<u>\$ 10,068</u>	<u>\$ (2)</u>	<u>\$ 10,070</u>	<u>\$ 10,068</u>

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 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.

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 Risk (continued)

CURRENCY (in 000s)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	136,677	(53)	136,624	1.7 %
Chinese Renminbi	976,865	-	976,865	11.8 %
Euro	172,615	-	172,615	2.1 %
Hong Kong Dollar	910,147	1,016	911,163	11.0 %
Hungarian Forint	20,779	-	20,779	0.3 %
Indian Rupee	1,372,330	(1,645)	1,370,685	16.6 %
Indonesian Rupiah	170,008	-	170,008	2.1 %
Korean Won	260,882	-	260,882	3.2 %
Malaysian Ringgit	115,150	-	115,150	1.4 %
Mexican Peso	85,967	-	85,967	1.0 %
Pakistani Rupee	1,624	-	1,624	- %
Philippine Peso	49,702	-	49,702	0.6 %
Polish Zloty	50,857	-	50,857	0.6 %
Singapore Dollar	155,926	-	155,926	1.9 %
South African Rand	68,072	-	68,072	0.8 %
Taiwan Dollar	125,549	-	125,549	1.5 %
Thai Baht	156,840	-	156,840	1.9 %
Turkish Lira	5,766	-	5,766	0.1 %
United Arab Emirates Dirham	1,806	-	1,806	- %
United States Dollar	980,261	666	980,927	11.9 %
Vietnam Dong	21,358	-	21,358	0.3 %
Net Foreign Exchange Exposure	\$ 5,839,181	\$ (16)	\$ 5,839,165	70.8 %

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

Currency Risk (continued)

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	\$ 10,184,293	\$ (2)	\$ 10,184,291	100.4 %

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 Risk (continued)

As at December 31, 2018, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$82,793,000 (2017 - \$101,843,000), representing 1.0% of the Fund's net assets (2017 - 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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 646,446	11.7 %	\$ 1,066,398	11.1 %
Consumer Staple	900,754	16.3 %	1,360,618	14.1 %
Energy	248,330	4.5 %	388,453	4.0 %
Financial Services	1,472,241	26.7 %	2,571,542	26.8 %
Health Care	116,320	2.1 %	160,649	1.7 %
Industrial Products	302,352	5.5 %	510,211	5.3 %
Information Technology	644,673	11.7 %	2,080,357	21.6 %
Materials and Processing	201,885	3.7 %	674,963	7.0 %
Real Estate	115,111	2.1 %	224,393	2.3 %
Telecommunication Services	613,373	11.1 %	304,728	3.2 %
Utilities	252,957	4.6 %	279,212	2.9 %
Total Equities	<u>\$ 5,514,442</u>	<u>100.0 %</u>	<u>\$ 9,621,524</u>	<u>100.0 %</u>

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

Other Price Risk (continued)

As at December 31, 2018 and 2017, 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 \$841,432,000 (2017 - \$877,081,000) or 10.2% (2017 - 8.6%) 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, 2018 and 2017, 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

ACTIVE 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)	2018		2017	
	Total	% of Total	Total	% of Total
Argentina	2,629	- %	27,923	0.3 %
Belgium	36,513	0.7 %	40,999	0.4 %
Brazil	313,049	5.7 %	1,003,932	10.4 %
Chile	5,229	0.1 %	90,527	0.9 %
China	2,020,452	36.7 %	3,003,543	31.1 %
Colombia	29,832	0.5 %	5,501	0.1 %
Egypt	4,852	0.1 %	-	- %
Greece	9,252	0.2 %	-	- %
Hong Kong	67,034	1.2 %	157,846	1.6 %
Hungary	20,779	0.4 %	54,852	0.6 %
India	1,385,817	25.1 %	1,567,169	16.3 %
Indonesia	168,952	3.1 %	320,003	3.3 %
Italy	-	- %	4,870	0.1 %
Korea	258,729	4.7 %	728,166	7.6 %
Malaysia	115,150	2.1 %	158,610	1.6 %
Mexico	172,096	3.1 %	410,427	4.3 %
Netherlands	126,165	2.3 %	122,497	1.3 %
Pakistan	1,619	- %	-	- %
Peru	33,002	0.6 %	38,076	0.4 %
Phillippines	49,702	0.9 %	121,540	1.3 %
Poland	50,856	0.9 %	80,183	0.8 %
Portugal	-	- %	14,382	0.1 %
Russia	59,771	1.1 %	228,747	2.4 %
Singapore	155,429	2.8 %	148,297	1.5 %
South Africa	67,763	1.2 %	186,328	1.9 %
Spain	-	- %	5,092	0.1 %
Taiwan	171,819	3.1 %	458,823	4.8 %
Thailand	156,560	2.8 %	344,429	3.6 %
Turkey	5,766	0.1 %	177,500	1.8 %
United Arab Emirates	6,067	0.1 %	-	- %
United Kingdom	-	- %	40,070	0.4 %
United States	-	- %	77,451	1.0 %
Vietnam	19,558	0.4 %	3,741	- %
Total Equities	\$ 5,514,442	100.0 %	\$ 9,621,524	100.0 %

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

As described in note 8 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, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 5,514,442	\$ -	\$ 5,514,442
Money Market Funds	5,115	-	5,115
Floating Rate Funds	2,440,162	-	2,440,162
Bonds	-	130	130
Total Investments	\$ 7,959,719	\$ 130	\$ 7,959,849
Foreign Currency Contracts, Net	-	16	16
Swaps, Net	-	115,225	115,225
Total	\$ 7,959,719	\$ 115,371	\$ 8,075,090

(in 000s)	December 31, 2017		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
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, Net	-	10,070	10,070
Total	\$ 9,863,145	\$ 10,068	\$ 9,873,213

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE 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 2018 and 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	4	\$ 18,757,409	\$ 2,445,277

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

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, 2018	December 31, 2017
Assets			
Cash		\$ 1,728	\$ 3,260
Receivable from sale of investments		16,138	-
Receivable from issuance of units		29,400	-
Dividends receivable		7,073	3,145
Security lending revenue receivable		99	33
Withholding taxes receivable		215	57
Derivative assets:			
Swaps		35,182	4,883
Investments		4,690,939	2,153,574
		<u>4,780,774</u>	<u>2,164,952</u>
Liabilities			
Payable for purchase of investments		16,361	1,636
Payable for redemption of units		29,400	-
BCI cost recoveries payable	4	695	489
Other accounts payable		710	243
Derivative liabilities:			
Swaps		861	2,956
		<u>48,027</u>	<u>5,324</u>
Net assets attributable to holders of redeemable units		<u>\$ 4,732,747</u>	<u>\$ 2,159,628</u>
<i>Number of redeemable units outstanding</i>	5	3,168.712	1,345.302
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,494</u>	<u>\$ 1,605</u>

Statement of Comprehensive (Loss)/Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 13,691	\$ 2,440
Dividend income		111,394	29,289
Securities lending income		1,251	334
Foreign exchange loss		(18,878)	(2,386)
Change in fair value of investments and derivatives:			
Net realized (loss) gain		(108,185)	54,847
Net change in unrealized appreciation		<u>(264,762)</u>	<u>269,957</u>
Total revenue (loss)		<u>(265,489)</u>	<u>354,481</u>
Expenses:			
BCI cost recoveries	4	1,899	1,512
Administrative fees		1,620	559
Commissions and stock exchange fees		1,555	847
Withholding taxes	6	<u>18,575</u>	<u>3,312</u>
Total operating expenses		<u>23,649</u>	<u>6,230</u>
(Decrease) increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(289,138)</u>	<u>348,251</u>
Distributions to holders of redeemable units:			
From net investment income		(84,968)	(24,448)
From net realized gains on investments and derivatives		<u>-</u>	<u>(54,542)</u>
		<u>(84,968)</u>	<u>(78,990)</u>
(Decrease) increase in net assets attributable to holders of redeemable units		<u>\$ (374,106)</u>	<u>\$ 269,261</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, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 2,159,628	\$ 1,200,993
(Decrease) increase in net assets attributable to holders of redeemable units	(374,106)	269,261
Redeemable unit transactions:		
Proceeds from units issued	3,127,247	682,909
Reinvestment of distributions	84,968	78,990
Amounts paid for units redeemed	(264,990)	(72,525)
Net increase from redeemable unit transactions	2,947,225	689,374
Balance, end of year	\$ 4,732,747	\$ 2,159,628

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
(Decrease) increase in net assets attributable to holders of redeemable units	\$ (374,106)	\$ 269,261
Adjustments for:		
Foreign exchange loss	18,878	2,386
Interest income	(13,691)	(2,440)
Dividend income	(111,394)	(29,289)
Withholding taxes	18,575	3,312
Net realized (gain) loss from investments and derivatives	108,185	(54,847)
Net change in unrealized appreciation of investments and derivatives	264,762	(269,957)
Non cash distributions	84,968	78,990
Proceeds from sale of investments	1,134,485	437,810
Amounts paid for purchase of investments	(4,077,191)	(1,071,451)
Receivable from sale of investments	(16,138)	-
Security lending revenue receivable	(66)	(1)
Payable for purchase of investments	14,725	1,636
BCI cost recoveries payable	206	382
Other accounts payable	467	194
Interest received	13,691	2,440
Dividends received	107,466	29,277
Withholding taxes paid	(18,733)	(3,369)
	<u>(2,844,911)</u>	<u>(605,666)</u>
Financing activities:		
Proceeds from issuance of redeemable units	3,097,847	682,909
Payments on redemption of redeemable units	(235,590)	(72,525)
	<u>2,862,257</u>	<u>610,384</u>
Net increase in cash	17,346	4,718
Effect of exchange rate changes on cash	(18,878)	(2,386)
Cash, beginning of year	3,260	928
Cash, end of year	\$ 1,728	\$ 3,260

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,026,396	\$ 2,957,941	\$ 1,937,714	\$ 1,559,607
Investment Fund Investment	7,346	7,297	-	-
	<u>3,033,742</u>	<u>2,965,238</u>	<u>1,937,714</u>	<u>1,559,607</u>
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	-	-	272	272
CDOR 1 Floating Rate Fund	1,657,197	1,659,181	-	-
LIBOR Floating Rate Fund	-	-	215,588	230,019
	<u>1,657,197</u>	<u>1,659,181</u>	<u>215,860</u>	<u>230,291</u>
Total Investments	<u>\$ 4,690,939</u>	<u>\$ 4,624,419</u>	<u>\$ 2,153,574</u>	<u>\$ 1,789,898</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 1,655,081	\$ 35,182	\$ (861)
Currency derivatives			
Listed			
OTC			
Forwards	45	-	-
Total	<u>\$ 1,655,126</u>	<u>\$ 35,182</u>	<u>\$ (861)</u>

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	225,603	4,883	(2,956)
Currency derivatives			
Listed			
OTC			
Forwards	648	-	-
Total	<u>\$ 226,251</u>	<u>\$ 4,883</u>	<u>\$ (2,956)</u>

Derivative Assets and Liabilities (continued)			
as at December 31			
(all amounts in thousands)			

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 1,629,130	\$ 226,251
3 to 12 months	25,996	-
Total	<u>\$ 1,655,126</u>	<u>\$ 226,251</u>

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 replicate the returns of the Fund's benchmark, net of all investment expenses incurred. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") Emerging Markets Net Index (the "Index"), net of cost of passive implementation. 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 BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2 and/or U.S. Dollar Money Market Fund ST3, and
- units in BCI's 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 7 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.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED 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 assets and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 35,182	\$ 35,165	\$ 17	\$ 35,182
Derivative liabilities	(861)	(836)	(25)	(861)
	<u>\$ 34,321</u>	<u>\$ 34,329</u>	<u>\$ (8)</u>	<u>\$ 34,321</u>
DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 4,883	\$ 4,883	\$ -	\$ 4,883
Derivative liabilities	(2,956)	(2,956)	-	(2,956)
	<u>\$ 1,927</u>	<u>\$ 1,927</u>	<u>\$ -</u>	<u>\$ 1,927</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)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 228,660	-	\$ 228,660	4.8 %
Chilean Peso	33,626	-	33,626	0.7 %
Chinese Renminbi	4,518	-	4,518	0.1 %
Columbian Peso	12,565	-	12,565	0.3 %
Czech Koruna	5,356	-	5,356	0.1 %
Egyptian Pound	1,128	-	1,128	- %
Euro	6,777	-	6,777	0.1 %
Hong Kong Dollar	699,259	-	699,259	14.8 %
Hungarian Forint	10,097	-	10,097	0.2 %
Indian Rupee	289,599	-	289,599	6.1 %
Indonesian Rupiah	71,409	-	71,409	1.5 %
Korean Won	429,072	-	429,072	9.1 %
Malaysian Ringgit	75,532	-	75,532	1.6 %
Mexican Peso	85,687	(45)	85,642	1.8 %
Pakistani Rupee	1,177	-	1,177	- %
Philippine Peso	34,305	-	34,305	0.7 %
Polish Zloty	38,658	-	38,658	0.8 %
Qatari Real	33,813	-	33,813	0.7 %
Russian Ruble	98,856	-	98,856	2.1 %
South African Rand	193,052	-	193,052	4.1 %
Taiwan Dollar	351,138	-	351,138	7.4 %
Thai Baht	74,821	-	74,821	1.6 %
Turkish Lira	19,227	-	19,227	0.4 %
United Arab Emirates Dirham	21,592	-	21,592	0.5 %
United States Dollar	255,198	45	255,243	5.4 %
Net Foreign Exchange Exposure	<u>\$ 3,075,122</u>	<u>\$ -</u>	<u>\$ 3,075,122</u>	<u>65.0 %</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 (continued)
as at December 31

Currency Risk (continued)

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables	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 Real	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 %

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, 2018, 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 \$45,688,000 (2017 - \$21,600,000), representing 1.0% of the Fund's net assets (2017 - 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)	2018		2017	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 314,538	10.4 %	\$ 208,385	10.8 %
Consumer Staples	200,384	6.6 %	126,542	6.5 %
Energy	243,045	8.0 %	135,664	7.0 %
Financials	752,166	24.9 %	515,714	26.6 %
Health Care	84,811	2.8 %	54,566	2.8 %
Industrials	162,705	5.4 %	102,482	5.3 %
Information Technology	432,267	14.3 %	517,708	26.7 %
Materials	233,166	7.7 %	142,724	7.4 %
Services	91,580	3.0 %	-	- %
Telecommunication Services	430,972	14.2 %	89,511	4.6 %
Utilities	80,762	2.7 %	44,418	2.3 %
Total Equities	\$ 3,026,396	100.0 %	\$ 1,937,714	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

Other Price Risk (continued)

As at December 31, 2018 and 2017, 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 \$468,210,000 (2017 - \$194,188,000) or 9.9% (2017 – 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, 2018 and 2017, 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

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Brazil	\$ 224,975	7.4 %	\$ 146,635	7.6 %
Chile	33,170	1.1 %	26,572	1.4 %
China	905,054	29.9 %	639,819	33.0 %
Colombia	12,390	0.4 %	8,454	0.4 %
Czech Republic	5,234	0.2 %	1,813	0.1 %
Egypt	3,816	0.1 %	2,167	0.1 %
Greece	6,716	0.2 %	7,178	0.4 %
Hungary	9,994	0.3 %	7,038	0.4 %
India	286,777	9.5 %	188,978	9.8 %
Indonesia	70,677	2.3 %	17,216	0.9 %
Korea	420,042	13.9 %	331,565	17.1 %
Malaysia	74,545	2.5 %	18,651	1.0 %
Mexico	84,855	2.8 %	63,076	3.3 %
Pakistan	1,090	- %	1,088	0.1 %
Peru	13,039	0.4 %	8,269	0.4 %
Philippines	33,951	1.1 %	24,021	1.2 %
Poland	38,293	1.3 %	28,973	1.5 %
Qatar	33,496	1.1 %	25,432	1.3 %
Russia	113,551	3.8 %	71,860	3.7 %
South Africa	190,547	6.3 %	153,385	7.9 %
Turkey	19,041	0.6 %	23,323	1.2 %
Taiwan	347,905	11.5 %	118,794	6.1 %
Thailand	74,054	2.4 %	20,751	1.1 %
United Arab Emirates	21,385	0.7 %	-	- %
United States	1,799	0.2 %	2,657	- %
Total Equities	<u>\$ 3,026,396</u>	<u>100.0 %</u>	<u>\$ 1,937,714</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

As described in note 8 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, 2018		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 3,026,396	\$ -	\$ 3,026,396
Floating Rate Funds	1,657,197	-	1,657,197
Investment Fund Investment	-	7,346	7,346
Total Investments	\$ 4,683,593	\$ 7,346	\$ 4,690,939
Swaps, Net	-	34,321	34,321
Total	\$ 4,683,593	\$ 41,667	\$ 4,725,260

(in 000s)	December 31, 2017		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
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, Net	-	1,927	1,927
Total	\$ 2,153,574	\$ 1,927	\$ 2,155,501

**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 2018 and 2017, 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 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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 12,850,451	\$ 1,657,197

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	\$ 6,090,454	\$ 215,860

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, 2018	December 31, 2017
Assets			
Cash		\$ 23,018	\$ 13,853
Receivable from sale of investments		740	51
Dividends receivable		417	515
Security lending revenue receivable		58	75
Withholding taxes receivable		373	290
Derivative assets:			
Foreign currency contracts		4	-
Swaps		-	417
Investments		1,429,410	1,403,833
		<u>1,454,020</u>	<u>1,419,034</u>
Liabilities			
Payable for purchase of investments		1,189	38
External management fees payable		496	525
BCI cost recoveries payable	4	1,728	1,190
Other accounts payable		62	40
Derivative liabilities:			
Foreign currency contracts		2	-
Swaps		877	-
		<u>4,354</u>	<u>1,793</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,449,666</u></u>	<u><u>\$ 1,417,241</u></u>
<i>Number of redeemable units outstanding</i>	5	751.069	751.069
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,930</u></u>	<u><u>\$ 1,887</u></u>

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 800	\$ 403
Dividend income		18,704	15,612
Securities lending income		1,196	1,040
Foreign exchange gain (loss)		1,412	(1,518)
Change in fair value of investments and derivatives:			
Net realized gain		14,585	125,611
Net change in unrealized appreciation		5,327	88,693
Total revenue		<u>42,024</u>	<u>229,841</u>
Expenses:			
BCI cost recoveries	4	5,003	4,331
External management fees		2,062	1,717
Administrative fees		140	107
Commissions and stock exchange fees		1,069	1,610
Withholding taxes	6	1,325	782
Total operating expenses		<u>9,599</u>	<u>8,547</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>32,425</u>	<u>221,294</u>
Distributions to holders of redeemable units:			
From net investment income		(12,651)	(9,969)
From net realized gains on investments and derivatives		(13,058)	(124,183)
		<u>(25,709)</u>	<u>(134,152)</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 6,716</u></u>	<u><u>\$ 87,142</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

THEMATIC PUBLIC EQUITY FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 1,417,241	\$ 1,194,894
Increase in net assets attributable to holders of redeemable units	6,716	87,142
Redeemable unit transactions:		
Proceeds from units issued	-	84,053
Reinvestment of distributions	25,709	134,152
Amounts paid for units redeemed	-	(83,000)
Net increase from redeemable unit transactions	25,709	135,205
Balance, end of year	\$ 1,449,666	\$ 1,417,241

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 6,716	\$ 87,142
Adjustments for:		
Foreign exchange loss (gain)	(1,412)	1,518
Interest income	(800)	(403)
Dividend income	(18,704)	(15,612)
Withholding taxes	1,325	782
Net realized gain from investments and derivatives	(14,585)	(125,611)
Net change in unrealized appreciation of investments and derivatives	(5,327)	(88,693)
Non cash distributions	25,709	134,152
Proceeds from sale of investments	768,537	732,600
Amounts paid for purchase of investments	(772,910)	(745,767)
Receivable from sale of investments	(689)	(51)
Security lending revenue receivable	17	-
Payable for purchase of investments	1,151	(71)
External management fees payable	(29)	(588)
BCI cost recoveries payable	538	917
Other accounts payable	22	34
Interest received	800	403
Dividends received	18,802	16,055
Withholding taxes paid	(1,408)	(848)
	<u>7,753</u>	<u>(4,041)</u>
Financing activities:		
Proceeds from issuance of redeemable units	-	84,053
Payments on redemption of redeemable units	-	(83,000)
	<u>-</u>	<u>1,053</u>
Net increase (decrease) in cash	7,753	(2,988)
Effect of exchange rate changes on cash	1,412	(1,518)
Cash, beginning of year	13,853	18,359
Cash, end of year	\$ 23,018	\$ 13,853

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)

	2018		2017	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,401,915	\$ 1,225,858	\$ 1,368,150	\$ 1,193,394
Direct Private Equity	7,481	7,500	4,800	7,500
	<u>1,409,396</u>	<u>1,233,358</u>	<u>1,372,950</u>	<u>1,200,894</u>
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	1	1	39	38
Fund ST2	198	199	547	547
LIBOR Floating Rate Fund	19,815	19,155	30,297	32,276
	<u>20,014</u>	<u>19,355</u>	<u>30,883</u>	<u>32,861</u>
Total Investments	<u>\$ 1,429,410</u>	<u>\$ 1,252,713</u>	<u>\$ 1,403,833</u>	<u>\$ 1,233,755</u>

See accompanying Notes to the Financial Statements.

THEMATIC PUBLIC EQUITY FUND

Derivative Assets and Liabilities

as at December 31

(all amounts in thousands)

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 19,773	\$ -	\$ (877)
Currency derivatives			
OTC			
Forwards	1,352	4	(2)
Total	<u>\$ 21,125</u>	<u>\$ 4</u>	<u>\$ (879)</u>

	2017		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 30,273	\$ 417	\$ -
Currency derivatives			
OTC			
Forwards	51	-	-
Total	<u>\$ 30,324</u>	<u>\$ 417</u>	<u>\$ -</u>

Derivative Assets and Liabilities (continued)

as at December 31

(all amounts in thousands)

The terms to maturity based on notional value for the derivatives were as follows at:

	December 31 2018	December 31 2017
Less than 3 months	\$ 21,125	\$ 51
3 to 12 months	-	30,273
Total	<u>\$ 21,125</u>	<u>\$ 30,324</u>

Note A: Notional value represents the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

Note B: The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

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 the Fund's primary benchmark, the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"), net of cost of passive implementation. The Fund's secondary benchmark is the Canadian Consumer Price Index plus 350 basis points, net of cost of passive implementation. 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 benchmark return by 89 basis points per annum, net of all investment expenses incurred.

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 BCI's 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 7 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.

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**

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 asset and derivative financial liabilities as at December 31.

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 4	\$ 4	\$ -	\$ 4
Derivative liabilities	(879)	(879)	-	(879)
	<u>\$ (875)</u>	<u>\$ (875)</u>	<u>\$ -</u>	<u>\$ (875)</u>

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2017			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 417	\$ -	\$ 417	417
Derivative liabilities	-	-	-	-
	<u>\$ 417</u>	<u>\$ -</u>	<u>\$ 417</u>	<u>\$ 417</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)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 818	\$ -	\$ 818	0.1 %
British Pound Sterling	10,028	35	10,063	0.7 %
Chinese Renminbi	1,017	-	1,017	0.1 %
Danish Krone	12,606	-	12,606	0.9 %
Euro	264,493	42	264,535	18.2 %
Hong Kong Dollar	36,736	711	37,447	2.6 %
Indian Rupee	241	-	241	- %
Japanese Yen	101,429	264	101,693	7.0 %
Korean Won	8,922	-	8,922	0.6 %
Malaysian Ringgit	945	-	945	0.1 %
Norwegian Krone	29,166	-	29,166	2.0 %
Singapore Dollar	705	-	705	- %
Swedish Krona	1,104	-	1,104	0.1 %
Swiss Franc	5,932	-	5,932	0.4 %
Taiwan Dollar	21,164	(32)	21,132	1.5 %
United States Dollar	948,808	(1,018)	947,790	65.4 %
Net Foreign Exchange Exposure	<u>\$ 1,444,114</u>	<u>\$ 2</u>	<u>\$ 1,444,116</u>	<u>99.6 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

Currency Risk (continued)

CURRENCY (in 000s)	2017			
	Net Investments and Investment- Related Receivables	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 %

As at December 31, 2018, 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 \$14,441,000 (2017 - \$14,131,000), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

In addition, the Fund is exposed to currency risk through its equity derivative contracts in which the underlying securities may be denominated in a foreign currency.

**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)	2018		2017	
	Total	% of Total	Total	% of Total
Public Equities				
Consumer Discretionary	\$ 225,898	16.0 %	\$ 192,090	14.0 %
Consumer Staples	55,658	3.9 %	80,195	5.8 %
Financials	-	- %	57,117	4.2 %
Health Care	349,813	24.7 %	275,912	20.1 %
Industrial Products	258,523	18.3 %	278,003	20.2 %
Information Technology	356,503	25.5 %	368,149	27.0 %
Materials	39,032	2.8 %	59,295	4.3 %
Telecommunication Services	54,803	3.9 %	546	- %
Utilities	61,685	4.4 %	56,843	4.1 %
Total Public Equities	1,401,915	99.5 %	1,368,150	99.7 %
Financial Services - Direct				
Equity Investment	7,481	0.5 %	6,500	0.3 %
Total Equities	\$ 1,409,396	100.0 %	\$ 1,374,650	100.0 %

As at December 31, 2018 and 2017, 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 \$142,755,000 (2017 - \$136,864,000) or 9.8% (2017 - 9.7%) 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, 2018 and 2017, 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

THEMATIC PUBLIC EQUITY FUND

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

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Public Equities				
Belgium	\$ 3,998	0.3 %	\$ 2,788	0.2 %
Brazil	-	- %	596	- %
Canada	428	- %	528	- %
China	42,153	3.0 %	49,443	3.6 %
Denmark	12,493	0.9 %	29,643	2.2 %
France	84,303	6.0 %	62,180	4.5 %
Germany	34,228	2.4 %	44,287	3.2 %
Hong Kong	1,965	0.1 %	1,491	0.1 %
India	241	- %	-	- %
Ireland	18,452	1.3 %	14,266	1.0 %
Israel	778	0.1 %	1,027	0.1 %
Italy	-	- %	29,016	2.1 %
Japan	100,728	7.1 %	103,979	7.6 %
Korea	8,852	0.6 %	18,110	1.3 %
Malaysia	935	0.1 %	1,854	0.1 %
Netherlands	43,807	3.1 %	30,616	2.2 %
New Zealand	818	0.1 %	664	- %
Norway	28,817	2.0 %	10,646	0.8 %
Russia	1,035	0.1 %	-	- %
Singapore	705	0.1 %	1,164	0.1 %
Spain	78,139	5.5 %	68,486	5.0 %
Sweden	1,104	0.1 %	370	- %
Switzerland	6,282	0.4 %	5,827	0.4 %
Taiwan	21,164	1.5 %	40,191	2.9 %
Thailand	643	- %	-	- %
United Kingdom	10,493	0.8 %	62,609	4.7 %
United States	899,354	64.0 %	788,367	57.6 %
Total Public Equities	1,401,915	99.5 %	1,368,148	99.7 %
Canadian Direct Private Equity Investment	7,481	0.5 %	4,800	0.3 %
Total Equities	\$ 1,409,396	100.0 %	\$ 1,372,948	100.0 %

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

As described in note 8 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, 2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Public Equities	\$ 1,401,915	\$ -	\$ -	\$ 1,401,915
Direct Private Equity Investment	-	-	7,481	7,481
Money Market Funds	199	-	-	199
Floating Rate Funds	19,815	-	-	19,815
Total Investments	\$ 1,421,929	\$ -	\$ 7,481	\$ 1,429,410
Foreign Currency Contracts, Net	-	2	-	2
Swaps, Net	-	(877)	-	(877)
Total	\$ 1,421,929	\$ (875)	\$ 7,481	\$ 1,428,535

	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
Swaps, Net	-	417	-	417
Total	\$ 1,399,033	\$ 417	\$ 4,800	\$ 1,404,250

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC 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 2018 and 2017, 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.

	2018 (in 000s)	2017 (in 000s)
Opening Balance as at January 1	\$ 4,800	\$ 6,500
Total gains or losses recognized in profit or loss	2,681	(2,700)
Purchases	-	1,000
Sales	-	-
Closing Balance at December 31	<u>\$ 7,481</u>	<u>\$ 4,800</u>
Total unrealized gains or losses for the period included in profit or loss relating to level 3 investments held at the reporting date	<u>\$ 2,681</u>	<u>\$ (2,700)</u>

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range
Direct Private Equity	\$ 7,481	Market approach	EV multiple	7,481
				The estimated fair value would increase (decrease) if the EV multiples were higher (lower).
2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range
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).

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.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

**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)	2018	2017
Favourable	\$ 748	\$ 480
Unfavourable	\$ (748)	\$ (480)

**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 2018 and 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 tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2018		
	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	\$ 4,310,304	\$ 20,014

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
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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
Active Canadian Equity Fund	July 26, 1990		Active Global Equity Fund	June 19, 2009
Active Canadian Small Cap Equity Fund	March 20, 2008		Global Quantitative Active Equity Fund	August 23, 2011
Canadian Quantitative Active Equity Fund	November 27, 2002		Indexed Global Equity Fund	December 7, 2011
Indexed Canadian Equity Fund	December 12, 1989		Indexed Global ESG Equity Fund	January 17, 2013
Active U.S. Small Cap Equity Fund	March 13, 2008		Active Emerging Markets Equity Fund	March 31, 2008
Indexed U.S. Equity Fund	February 6, 1995		Indexed Emerging Markets Equity Fund	July 31, 2013
Active Asian Equity Fund	January 2, 1998		Thematic Public Equity Fund	December 31, 2012
Active European Equity Fund	January 2, 1998			

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
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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 4, 2019.

(b) Basis of measurement

The financial statements have been prepared on a historical cost basis except for investments and derivative financial instruments, which are measured at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. 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.

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

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

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

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

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

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

The Funds have not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivative financial liabilities. On initial recognition the Funds irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Fair value through profit and loss

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Funds' investments, derivative financial instruments, investments sold short and redeemable units are classified 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 Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative financial instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and 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.

(iii) Amortized Cost

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, accounts receivable, receivable from sale of investments, receivable from issue of units, dividend receivable, interest receivable, other receivables, 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, as amortized cost.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
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3. Significant accounting policies (continued)

(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 on inception is \$1 million. For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis. 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. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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3. Significant accounting policies (continued)

(e) Revenue recognition

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined on the average cost basis of the respective investments. Commissions, stock exchange fees and other identifiable transaction costs that are directly attributable to the acquisition or disposal of an investment are expensed as incurred. Pursuit costs are charged to net income of the respective Funds in the period incurred.

(f) Securities lending

Securities lending contracts are entered into for the temporary delivery of securities to a borrower in exchange for different securities having a higher market value (collateral), with an obligation for the borrower to redeliver the same quantity of the original securities lent at a future date. The lender receives a fee from the borrower, and retains the rights to receive equivalent interest payments or dividends from the loaned securities. The Funds continue to recognize the securities in their entirety in the statement of financial position as the Funds retain all of the risks and rewards of ownership. Securities lending income is recognized over the term of the arrangement. The credit risk related to securities lending transactions is limited by the fact that the value of securities held as collateral by the Funds is at least 105% of the market value of the securities loaned.

(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.

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3. Significant accounting policies (continued)

(h) Change in accounting policy:

The Funds have adopted IFRS 9 *Financial Instruments* ("IFRS 9") with a date of initial application of January 1, 2018. The requirements of IFRS 9 represent a significant change from IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). IFRS 9 specifies the accounting for financial instruments, including: classification and measurement, impairment, and hedge accounting. The adoption of IFRS 9 has been applied retrospectively. The nature and effects of the key changes to the Funds' accounting policy are summarized below.

(i) Classification and measurement of financial assets and liabilities:

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Funds may also, at initial recognition, irrevocably designate a financial asset as measured at FVTPL when doing so results in more relevant information. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available-for-sale.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at fair value through profit or loss, such as derivatives liabilities. The Funds may also, at initial recognition, irrevocably designate a financial liability as measured at FVTPL when doing so results in more relevant information.

The adoption of IFRS 9 did not result in any measurement or classification differences in the Funds' financial assets and liabilities as at the transition date. The following table shows the original classification and measurement categories under IAS 39 and the new classification and measurement categories under IFRS 9 for each class of the Funds' financial assets and financial liabilities as at January 1, 2018.

	Original Classification under IAS 39	New Classification under IFRS 9
Financial assets		
Cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Interest receivable	Loans and receivables	Amortized cost
Securities lending revenue receivable	Loans and receivables	Amortized cost
Derivative assets	FVTPL	FVTPL
Investments	FVTPL	FVTPL
Financial liabilities		
Payable for purchase of investments	Other financial liabilities	Amortized cost
BCI cost recoveries payable	Other financial liabilities	Amortized cost
Other accounts payable	Other financial liabilities	Amortized cost
Derivative liabilities	FVTPL	FVTPL
Redeemable units	FVTPL	FVTPL

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3. Significant accounting policies (continued)

(h) Change in accounting policy (continued):

(ii) Impairment of financial assets:

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model. As the Funds measures their financial assets at FVTPL and hold only short-term financial assets at amortized cost, the impairment requirements under the new standard do not impact these financial statements.

(iii) Hedge accounting

As permitted by IFRS 9, an election is available to continue to apply the hedge accounting requirements of IAS 39. However, the Funds have not applied hedge accounting under either standard. Therefore, the hedge accounting requirements under the new standard do not impact these financial statements.

(i) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations as listed below are not yet effective for the period ended April 9, 2018, 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.

Effective on January 1, 2019:

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Tax Treatments
- Prepayment Features with Negative Compensation (Amendments to IFRS 9)
- Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28)
- Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)
- Annual Improvements to IFRS Standards 2015-2017 Cycle - various standards

Effective on January 1, 2020:

- Amendments to References to Conceptual Framework in IFRS Standards

Effective on January 1, 2021:

- IFRS 17 Insurance Contracts

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
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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.

Payable to and receivable from BCI Funds

In May 2018, the Global Quantitative Active Equity Fund entered into a physically settled fully-funded total return equity swap with the Indexed Global Equity Fund whereby the Indexed Global Equity Fund sold its investment in certain equity securities into the market and provided the proceeds of sale to the Global Quantitative Active Equity Fund to purchase the swap.

The terms of the fully-funded total return equity swap were equivalent to those prevailing in an arm's length transaction, with each Funds' interests represented by different BCI personnel. At maturity of the swap in September 2019, the Global Quantitative Active Fund will deliver the reference equity securities to the Indexed Global Equity Fund, including forgone dividends, transaction costs, securities lending opportunity cost and a convenience fee.

As the initial net investment of the Indexed Global Equity Fund equaled the total market exposure, the fully-funded swap does not meet the IFRS definition of a derivative financial instrument. As at December 31, 2018, the fair value of the payable to the Indexed Global Equity Fund and receivable from the Quantitative Active Equity Fund was \$21.7 million. Either party may elect to terminate the transaction upon written notice.

Swaps between BCI Funds

The Active Global Equity Fund entered into four internal total return equity swaps with the Indexed Global Equity Fund, with a total notional value of \$1,154 million, which mature in February 2019. The terms of the total return equity swaps between these Funds were equivalent to an equal and offsetting arm's length transaction between the Indexed Global Equity Fund and an external counterparty. Either party may elect to terminate the transaction upon written notice.

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5. Redeemable units

The Funds are authorized to issue an unlimited number of units. Units issued and outstanding represent the capital of each Fund. The Funds are not subject to any internally or externally imposed restrictions on their capital. 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 year ended:

	ACTIVE CANADIAN EQUITY FUND		ACTIVE CANADIAN SMALL CAP EQUITY FUND		CANADIAN QUANTITATIVE ACTIVE EQUITY FUND		INDEXED CANADIAN EQUITY FUND	
	2018	2017	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	362.587	349.475	418.107	320.531	814.528	814.386	939.641	1,296.645
Issued for cash	65.226	21.452	165.417	97.576	136.768	33.688	144.868	91.284
Issued on reinvestment of distributions	10.674	16.701	24.063	16.098	3.737	133.732	131.261	147.471
Consolidation of units	(10.674)	(16.701)	(24.063)	(16.098)	(3.737)	(133.732)	(131.261)	(147.471)
Redeemed	(54.853)	(8.340)	-	-	(136.768)	(33.546)	(612.769)	(448.288)
Outstanding, end of period	372.960	362.587	583.524	418.107	814.528	814.528	471.740	939.641

	ACTIVE U.S. SMALL CAP EQUITY FUND		INDEXED U.S. EQUITY FUND		ACTIVE ASIAN EQUITY FUND		ACTIVE EUROPEAN EQUITY FUND	
	2018	2017	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	325.454	495.937	649.744	963.436	679.763	1,469.135	821.347	1,350.781
Issued for cash	51.102	0.166	53.532	98.188	-	65.632	-	111.217
Issued on reinvestment of distributions	40.188	65.324	185.137	131.382	101.189	279.322	27.499	84.752
Consolidation of units	(40.188)	(65.324)	(185.137)	(131.382)	(101.189)	(279.322)	(27.499)	(84.752)
Redeemed	-	(170.649)	(369.334)	(411.880)	(175.291)	(855.004)	-	(640.651)
Outstanding, end of period	376.556	325.454	333.942	649.744	504.472	679.763	821.347	821.347

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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	
	2018	2017	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	1,321.096	1,635.616	1,184.327	1,183.165	4,498.593	1,590.439	1,858.167	1,858.167
Issued for cash	-	24.990	23.951	1.162	2,561.232	3,759.839	-	-
Issued on reinvestment of distributions	70.388	122.787	98.847	172.317	420.555	139.510	316.931	63.135
Consolidation of units	(70.388)	(122.787)	(98.847)	(172.317)	(420.555)	(139.510)	(316.931)	(63.135)
Redeemed	(1.815)	(339.510)	(23.951)	-	(1,128.318)	(851.685)	(832.160)	-
Outstanding, end of period	<u>1,319.281</u>	<u>1,321.096</u>	<u>1,184.327</u>	<u>1,184.327</u>	<u>5,931.507</u>	<u>4,498.593</u>	<u>1,026.007</u>	<u>1,858.167</u>

	ACTIVE EMERGING MARKETS EQUITY FUND		INDEXED EMERGING MARKETS EQUITY FUND		THEMATIC PUBLIC EQUITY FUND	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	6,152.941	6,282.642	1,345.302	958.324	751.069	750.487
Issued for cash	73.283	481.200	1,983.362	434.588	-	47.411
Issued on reinvestment of distributions	-	553.348	52.239	50.848	13.079	71.272
Consolidation of units	-	(553.348)	(52.239)	(50.848)	(13.079)	(71.272)
Redeemed	(696.113)	(610.901)	(159.952)	(47.610)	-	(46.829)
Outstanding, end of period	<u>5,530.111</u>	<u>6,152.941</u>	<u>3,168.712</u>	<u>1,345.302</u>	<u>751.069</u>	<u>751.069</u>

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6. Withholding tax expense

Certain dividend income received by the Funds is subject to withholding tax imposed in the country of origin. During the year, the weighted average withholding tax rate for each of the Funds that paid withholding tax was as follows:

Pooled Investment Portfolios	2018	2017
Active U.S. Small Cap Equity Fund	- %	0.20 %
Active Asian Equity Fund	8.71 %	7.77 %
Active European Equity Fund	11.50 %	10.36 %
Active Global Equity Fund	6.63 %	6.25 %
Global Quantitative Active Equity Fund	4.76 %	4.44 %

Pooled Investment Portfolios	2018	2017
Indexed Global Equity Fund	4.61 %	3.58 %
Indexed Global ESG Equity Fund	5.35 %	4.38 %
Active Emerging Markets Equity Fund	10.53 %	11.77 %
Indexed Emerging Markets Equity Fund	16.68 %	11.31 %
Thematic Public Equity Fund	7.08 %	5.01 %

7. 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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7. 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, which include foreign currency contracts, 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.

To avoid undue credit risk, the Funds have established specific investment criteria, such as minimum credit ratings required to transact with counterparties and to invest in investees. Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving derivative contracts and securities lending. For certain investments and derivative contracts, 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. With respect to derivative contracts, BCI has the ability to terminate all trades with counterparties whose credit rating is downgraded below its requirements, which may be below the credit rating required for entering into new transactions.

For OTC derivatives, BCI's policy also requires the use of the International Swaps and Derivative Association (ISDA) Master Agreement with all counterparties to derivative contracts. The ISDA Master Agreement provides the contractual framework within which dealing activities across a full range of OTC products are conducted. In the case of OTC-cleared derivatives, trading activities are regulated between parties under terms that are customary to such transactions.

As a credit mitigation technique, the ISDA Master Agreement contractually binds counterparties to close-out netting provisions in the case of default by one of the counterparties. Additionally, the Credit Support Annex (CSA) to the ISDA Master Agreement enables BCI to realize any collateral placed with it in the case of default of the counterparty. The CSA also requires BCI to contribute further collateral when requested. All collateral transactions under the CSA are high-quality debt instruments or securities. The CSA also regulates the exchange of collateral when the credit exposure to a counterparty exceeds a predetermined threshold. BCI and its counterparties are generally not authorized to sell, repledge or otherwise use collateral held with respect to derivative contracts.

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.

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7. Financial risk management (continued)

(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.

(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.

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 low interest rate risk.

See additional discussion of interest rate risk in the Financial Risk Management Discussion in the notes specific to each Fund.

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7. Financial risk management (continued)

(d) Market risk (continued)

(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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8. 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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8. 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.

9. 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, 2018	
	Net Capital Losses	Non-capital Losses
Indexed Emerging Markets Equity Fund	46,042	-

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.

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10. 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	
	2018	2017	2018	2017
Active Canadian Equity Fund	285,969	319,897	7.0 %	7.4 %
Active Canadian Small Cap Equity Fund	121,924	160,999	12.0 %	18.4 %
Canadian Quantitative Active Equity Fund	33,268	-	7.2 %	- %
Indexed Canadian Equity Fund	286,635	693,987	10.8 %	9.7 %
Active U.S. Small Cap Equity Fund	330,457	223,812	25.5 %	20.9 %
Indexed U.S. Equity Fund	203,388	486,880	7.1 %	7.0 %
Active Asian Equity Fund	182,242	218,831	9.6 %	8.3 %
Active European Equity Fund	110,825	86,914	5.9 %	4.3 %
Active Global Equity Fund	123,676	344,467	5.9 %	10.9 %
Global Quantitative Active Equity Fund	311,243	172,007	9.5 %	5.7 %
Indexed Global Equity Fund	607,636	458,728	8.3 %	5.1 %
Indexed Global ESG Equity Fund	195,398	321,863	9.0 %	8.1 %
Active Emerging Markets Equity Fund	316,768	522,831	5.7 %	5.4 %
Indexed Emerging Markets Equity Fund	148,200	177,650	4.9 %	9.2 %
Thematic Public Equity Fund	229,762	281,535	16.4 %	20.6 %