



BCi

Private Equity - Pooled Fund Financial Statements

DECEMBER 2018

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
GROUP OF FUNDS

Private Placement Fund 1996
Private Placement Fund 1997
Private Placement Fund 1998
Private Placement Fund 1999
Private Placement Fund 1999A
2000 Private Placement Fund
2001 Private Placement Fund
2002 Private Placement Fund
2003 Private Placement Fund
2004 Private Placement Fund
2005 Private Placement Fund
2006 Private Placement Fund
2007 Private Placement Fund
2008 Private Placement Fund
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2011 Private Placement Fund
2012 Private Placement Fund
2013 Private Placement Fund
2014 Private Placement Fund
2015 Private Placement Fund
2016 Private Placement Fund
2017 Private Equity Fund
2018 Private Equity Fund

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

British Columbia Investment Management Corporation (BCI) manages Pooled Investment Portfolios on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. This report contains the financial statements for the following Pooled Investment Portfolios for the year ended December 31, 2018:

Private Placement Fund 1996	2003 Private Placement Fund	2011 Private Placement Fund
Private Placement Fund 1997	2004 Private Placement Fund	2012 Private Placement Fund
Private Placement Fund 1998	2005 Private Placement Fund	2013 Private Placement Fund
Private Placement Fund 1999	2006 Private Placement Fund	2014 Private Placement Fund
Private Placement Fund 1999A	2007 Private Placement Fund	2015 Private Placement Fund
2000 Private Placement Fund	2008 Private Placement Fund	2016 Private Placement Fund
2001 Private Placement Fund	2009 Private Placement Fund	2017 Private Equity Fund
2002 Private Placement Fund	2010 Private Placement Fund	2018 Private 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
July 4, 2019



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INDEPENDENT AUDITORS' REPORT

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

Private Placement Fund 1996	2007 Private Placement Fund
Private Placement Fund 1997	2008 Private Placement Fund
Private Placement Fund 1998	2009 Private Placement Fund
Private Placement Fund 1999	2010 Private Placement Fund
Private Placement Fund 1999A	2011 Private Placement Fund
2000 Private Placement Fund	2012 Private Placement Fund
2001 Private Placement Fund	2013 Private Placement Fund
2002 Private Placement Fund	2014 Private Placement Fund
2003 Private Placement Fund	2015 Private Placement Fund
2004 Private Placement Fund	2016 Private Placement Fund
2005 Private Placement Fund	2017 Private Equity Fund
2006 Private Placement Fund	2018 Private 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 (period from inception on February 5, 2018 to December 31, 2018 for the 2018 Private Equity Fund only)
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended (period from inception on February 5, 2018 to December 31, 2018 for the 2018 Private Equity Fund only)
- the statements of cash flows for the year then ended (period from inception on February 5, 2018 to December 31, 2018 for the 2018 Private Equity Fund only)
- 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 (period from inception on February 5, 2018 to December 31, 2018 for the 2018 Private Equity Fund only) 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.



Chartered Professional Accountants

Vancouver, Canada
July 4, 2019

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 121	\$ 190
Liabilities			
BCI cost recoveries payable	4	55	46
Other accounts payable		11	11
		<u>66</u>	<u>57</u>
Net assets attributable to holders of redeemable units		<u>\$ 55</u>	<u>\$ 133</u>
<i>Number of redeemable units outstanding</i>	5	0.015	0.019
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,667</u>	<u>\$ 7,000</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 49	\$ -
Net change in unrealized appreciation		(31)	(18)
Total revenue		<u>18</u>	<u>(18)</u>
Expenses:			
BCI cost recoveries	4	42	78
Administrative fees		24	19
Total operating expenses		<u>66</u>	<u>97</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (48)</u>	<u>\$ (115)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 133	\$ 197
Decrease in net assets attributable to holders of redeemable units	(48)	(115)
Redeemable unit transactions:		
Proceeds from units issued	59	51
Amounts paid for units redeemed	(89)	-
Net increase (decrease) from redeemable unit transactions	(30)	51
Balance, end of year	\$ 55	\$ 133

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	\$ (48)	\$ (115)
Adjustments for:		
Net realized gain from investments	(49)	-
Net change in unrealized appreciation of investments	31	18
Proceeds from sale of investments	139	53
Amounts paid for purchase of investments	(52)	(51)
BCI cost recoveries payable	9	45
Other accounts payable	-	(1)
	<u>30</u>	<u>(51)</u>
Financing activities:		
Proceeds from issuance of redeemable units	59	51
Payments on redemption of redeemable units	(89)	-
	<u>(30)</u>	<u>51</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 119	\$ 49	\$ 190	\$ 89
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>2</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 121</u>	<u>\$ 51</u>	<u>\$ 190</u>	<u>\$ 89</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1996.

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

(in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 100	84.0 %	\$ 176	92.6 %
BCI Money Market Funds	19	16.0 %	14	7.4 %
	<u>\$ 119</u>	<u>100.0 %</u>	<u>\$ 190</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$225,000 CAD which represents 409.1% of the net asset value of the Fund (2017 - \$287,000 CAD which represented 215.8% of the net asset value of the Fund).

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$2,000 CAD (2017 - \$3,000 CAD), representing 3.6% of the Fund's net assets (2017 - 2.3%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$446,000 CAD (2017 - \$409,000 CAD).

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$4,000 CAD (2017 - \$4,000 CAD). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$12,000 (2017 - \$19,000) or 21.8% (2017 - 14.3%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 21	\$ -	\$ -	\$ 21
Unlisted Private Equity Investee Funds	-	-	100	100
Total Investments	\$ 21	\$ -	\$ 100	\$ 121

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 14	\$ -	\$ -	\$ 14
Unlisted Private Equity Investee Funds	-	-	176	176
Total Investments	\$ 14	\$ -	\$ 176	\$ 190

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 176
Total gains or (losses) recognized in profit or loss	18
Purchases	-
Sales	(94)
Balance, end of year	\$ 100
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 11

	2017
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 192
Total gains or (losses) recognized in profit or loss	(16)
Purchases	-
Sales	-
Balance, end of year	\$ 176
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (16)

During 2018 and 2017, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 210	Net Asset Value	Net Asset Value	\$ 210	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ (110)	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ (110)	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 280	Unadjusted Net Asset Value	Net Asset Value	\$ 280	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ (104)	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 1,022 \$ (1,126)	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

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

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

- (ii) Adjusted Net Asset Value:
Represents total adjustments applied to the net asset value of the investee funds. BCI management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

(in 000s)	2018	2017
Favourable	\$ 10	\$ 18
Unfavourable	\$ (10)	\$ (18)

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity, approximately \$119,000 (2017 - \$190,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 21
Unlisted private equity investee funds administered by third party managers	2	\$ 3,992	\$ 100

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1996

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 14
Unlisted private equity investee funds administered by third party managers	2	\$ 7,969	\$ 176

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 2,829	\$ 4,636
Liabilities			
BCI cost recoveries payable	4	146	128
Other accounts payable		11	11
		<u>157</u>	<u>139</u>
Net assets attributable to holders of redeemable units		<u>\$ 2,672</u>	<u>\$ 4,497</u>
<i>Number of redeemable units outstanding</i>	5	0.761	1.196
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,511</u>	<u>\$ 3,760</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 1,164	\$ 1,452
Net change in unrealized appreciation		(1,130)	(1,898)
Total revenue		<u>34</u>	<u>(446)</u>
Expenses:			
BCI cost recoveries	4	107	230
Administrative fees		25	19
Total operating expenses		<u>132</u>	<u>249</u>
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(98)</u>	<u>(695)</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(919)</u>	<u>(1,302)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (1,017)</u>	<u>\$ (1,997)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 4,497	\$ 7,351
Decrease in net assets attributable to holders of redeemable units	(1,017)	(1,997)
Redeemable unit transactions:		
Proceeds from units issued	115	137
Reinvestment of distributions	919	1,302
Amounts paid for units redeemed	(1,842)	(2,296)
Net decrease from redeemable unit transactions	(808)	(857)
Balance, end of year	\$ 2,672	\$ 4,497

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	\$ (1,017)	\$ (1,997)
Adjustments for:		
Net realized gain from investments	(1,164)	(1,452)
Net change in unrealized appreciation of investments	1,130	1,898
Non cash distributions	919	1,302
Proceeds from sale of investments	1,947	2,429
Amounts paid for purchase of investments	(106)	(137)
BCI cost recoveries payable	18	117
Other accounts payable	-	(1)
	<u>1,727</u>	<u>2,159</u>
Financing activities:		
Proceeds from issuance of redeemable units	115	137
Payments on redemption of redeemable units	(1,842)	(2,296)
	<u>(1,727)</u>	<u>(2,159)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 2,824	\$ 1,087	\$ 4,631	\$ 1,764
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 2,829</u>	<u>\$ 1,092</u>	<u>\$ 4,636</u>	<u>\$ 1,769</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1997.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 2,667	94.4 %	\$ 3,146	67.9 %
Foreign Currency Contracts	-	- %	(1)	- %
BCI Money Market Funds	157	5.6 %	1,486	32.1 %
	<u>\$ 2,824</u>	<u>100.0 %</u>	<u>\$ 4,631</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

The Fund holds net financial assets, including foreign currency contracts, denominated in U.S. currency totalling \$2,817,000 CAD which represents 105.4% of the net asset value of the Fund (2017 - \$3,894,000 CAD which represented 86.6% of the net asset value of the Fund).

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$28,000 CAD (2017 - \$39,000 CAD), representing 1.0% of the Fund's net assets (2017 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$15,646,000 CAD (2017 - \$14,353,000 CAD).

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$157,000 CAD (2017 - \$144,000 CAD). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$283,000 (2017 - \$463,000) or 10.6% (2017 - 10.3%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 162	\$ -	\$ -	\$ 162
Unlisted Private Equity Investee Funds	-	-	2,667	2,667
Total Investments	\$ 162	\$ -	\$ 2,667	\$ 2,829

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 1,491	\$ -	\$ -	\$ 1,491
Foreign Currency Contracts	-	(1)	-	(1)
Unlisted Private Equity Investee Funds	-	-	3,146	3,146
Total Investments	\$ 1,491	\$ (1)	\$ 3,146	\$ 4,636

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 3,146
Total gains or (losses) recognized in profit or loss	52
Purchases	-
Sales	(531)
Balance, end of year	\$ 2,667
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 162

	2017
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 7,355
Total gains or (losses) recognized in profit or loss	(430)
Purchases	-
Sales	(3,779)
Balance, end of year	\$ 3,146
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 4,130

During 2018 and 2017, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 2,667	Net Asset Value	Net Asset Value	\$ 2,667	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 3,146	Unadjusted Net Asset Value	Net Asset Value	\$ 3,146	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners.
- The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as Level 3 within the fair value hierarchy.

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

(in 000s)	2018	2017
Favourable	\$ 267	\$ 315
Unfavourable	\$ (267)	\$ (315)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1997

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$2,824,000 (2017 - \$4,631,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 162
Unlisted private equity investee funds administered by third party managers	5	\$ 40,189	\$ 2,667

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 1,491
Unlisted private equity investee funds administered by third party managers	5	\$ 44,223	\$ 3,146

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 2,681	\$ 3,168
Liabilities			
BCI cost recoveries payable	4	100	82
Other accounts payable		12	11
		<u>112</u>	<u>93</u>
Net assets attributable to holders of redeemable units		<u>\$ 2,569</u>	<u>\$ 3,075</u>
<i>Number of redeemable units outstanding</i>	5	0.133	0.130
Net assets attributable to holders of redeemable units per unit		<u>\$ 19,316</u>	<u>\$ 23,654</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ -	\$ 763
Net change in unrealized appreciation		(483)	(509)
Total revenue		<u>(483)</u>	<u>254</u>
Expenses:			
BCI cost recoveries	4	70	126
Administrative fees		24	19
Total operating expenses		<u>94</u>	<u>145</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		(577)	109
Distributions to holders of redeemable units:			
From net realized gains on investments		-	(682)
Decrease in net assets attributable to holders of redeemable units		<u>\$ (577)</u>	<u>\$ (573)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 3,075	\$ 3,708
Decrease in net assets attributable to holders of redeemable units	(577)	(573)
Redeemable unit transactions:		
Proceeds from units issued	71	68
Reinvestment of distributions	-	682
Amounts paid for units redeemed	-	(810)
Net increase (decrease) from redeemable unit transactions	71	(60)
Balance, end of year	\$ 2,569	\$ 3,075

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	\$ (577)	\$ (573)
Adjustments for:		
Net realized gain from investments	-	(763)
Net change in unrealized appreciation of investments	483	509
Non cash distributions	-	682
Proceeds from sale of investments	67	876
Amounts paid for purchase of investments	(63)	(68)
BCI cost recoveries payable	18	80
Other accounts payable	1	(1)
	(71)	742
Financing activities:		
Proceeds from issuance of redeemable units	71	68
Payments on redemption of redeemable units	-	(810)
	71	(742)
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 2,681	\$ 171	\$ 3,163	\$ 170
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	-	-	5	5
Total Investments	<u>\$ 2,681</u>	<u>\$ 171</u>	<u>\$ 3,168</u>	<u>\$ 175</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1998.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 745	27.7 %	\$ 1,219	38.5 %
Unlisted Private Equity Investee Funds	1,921	71.7 %	1,928	61.0 %
BCI Money Market Funds	15	0.6 %	16	0.5 %
	<u>\$ 2,681</u>	<u>100.0 %</u>	<u>\$ 3,163</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

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

Other Price Risk

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

INDUSTRY SECTOR
(in 000s)

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Energy	\$ 745	27.9 %	\$ 1,219	38.7 %
Total Direct Private Equity Investments	745	27.9 %	1,219	38.7 %
Total Unlisted Private Equity Investee Funds in Energy and Telecommunication Services	1,921	72.1 %	1,928	61.3 %
	\$ 2,666	100.0 %	\$ 3,147	100.0 %

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

Other Price Risk (continued)

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

As at December 31, had the fair value of the investments 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 \$268,000 (2017 - \$316,000) or 10.4% (2017 - 10.3%) of net assets attributable to holders of redeemable units.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

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

Fair Value Hierarchy

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

	2018				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)		Total
(in 000s)					
BCI Money Market Funds	\$ 15	\$ -	\$ -	\$ -	15
Direct Private Equity Investments	-	-	745		745
Unlisted Private Equity Investee Funds	-	-	1,921		1,921
Total Investments	\$ 15	\$ -	\$ 2,666	\$ -	2,681

	2017				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)		Total
(in 000s)					
BCI Money Market Funds	\$ 21	\$ -	\$ -	\$ -	21
Direct Private Equity Investments	-	-	1,219		1,219
Unlisted Private Equity Investee Funds	-	-	1,928		1,928
Total Investments	\$ 21	\$ -	\$ 3,147	\$ -	3,168

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 1,219	\$ 1,928	\$ 3,147
Total gains or (losses) recognized in profit or loss	(474)	(7)	(481)
Purchases	-	-	-
Sales	-	-	-
Balance, end of year	\$ 745	\$ 1,921	\$ 2,666
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (474)	\$ (7)	\$ (481)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

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

Fair Value Hierarchy (continued)

	2017		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 1,759	\$ 1,945	\$ 3,704
Total gains or (losses) recognized in profit or loss	273	(17)	256
Purchases	-	-	-
Sales	(813)	-	(813)
Balance, end of year	<u>\$ 1,219</u>	<u>\$ 1,928</u>	<u>\$ 3,147</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 281</u>	<u>\$ (17)</u>	<u>\$ 264</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 745	Market approach	Revenue multiple	0.97x	0.97x	The estimated fair value would increase(decrease) if the EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,921	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 1,921	N/A	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,219	Market approach	EV/EBITDA	\$ 1,219	The estimated fair value would increase(decrease) if the EV/EBITDA multiple was higher(lower).
Unlisted Private Equity Investee Funds	\$ 1,928	Adjusted Net Asset Value	Net Asset Value	\$ 3,376	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).
			Adjusted Net Asset Value	\$ (1,448)	

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

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

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

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 267	\$ 315
Unfavourable	\$ (267)	\$ (315)

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$2,682,000 (2017 - \$3,163,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 15
Unlisted private equity investee funds administered by third party managers	1	\$ 16,062	\$ 1,921

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1998

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 21
Unlisted private equity investee funds administered by third party managers	1	\$ 15,046	\$ 1,928

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 5,627	\$ 8,203
Liabilities			
BCI cost recoveries payable	4	141	122
Other accounts payable		11	11
		<u>152</u>	<u>133</u>
Net assets attributable to holders of redeemable units		<u>\$ 5,475</u>	<u>\$ 8,070</u>
<i>Number of redeemable units outstanding</i>	5	4,171	6,972
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,313</u>	<u>\$ 1,157</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 1,657	\$ 2,497
Net change in unrealized appreciation		174	(7,457)
Total revenue		<u>1,831</u>	<u>(4,960)</u>
Expenses:			
BCI cost recoveries	4	119	222
Administrative fees		25	19
Total operating expenses		<u>144</u>	<u>241</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,687</u>	<u>(5,201)</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(1,406)</u>	<u>(2,354)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 281</u>	<u>\$ (7,555)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 8,070	\$ 18,442
Increase (decrease) in net assets attributable to holders of redeemable units	281	(7,555)
Redeemable unit transactions:		
Proceeds from units issued	148	141
Reinvestment of distributions	1,406	2,354
Amounts paid for units redeemed	(4,430)	(5,312)
Net decrease from redeemable unit transactions	(2,876)	(2,817)
Balance, end of year	\$ 5,475	\$ 8,070

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 281	\$ (7,555)
Adjustments for:		
Net realized gain from investments	(1,657)	(2,497)
Net change in unrealized appreciation of investments	(174)	7,457
Non cash distributions	1,406	2,354
Proceeds from sale of investments	4,543	5,438
Amounts paid for purchase of investments	(136)	(141)
BCI cost recoveries payable	19	116
Other accounts payable	-	(1)
	<u>4,282</u>	<u>5,171</u>
Financing activities:		
Proceeds from issuance of redeemable units	148	141
Payments on redemption of redeemable units	(4,430)	(5,312)
	<u>(4,282)</u>	<u>(5,171)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 5,622	\$ 3,886	\$ 8,198	\$ 6,636
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 5,627</u>	<u>\$ 3,891</u>	<u>\$ 8,203</u>	<u>\$ 6,641</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1999.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 5,461	97.1 %	\$ 8,183	99.8 %
BCI Money Market Funds	161	2.9 %	15	0.2 %
	<u>\$ 5,622</u>	<u>100.0 %</u>	<u>\$ 8,198</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$5,618,000 CAD which represents 102.6% of the net asset value of the Fund (2017 - \$8,190,000 CAD which represented 101.5% of the net asset value of the Fund).

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$56,000 CAD (2017 - \$82,000 CAD), 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.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$3,348,000 CAD (2017 - \$3,072,000 CAD). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$33,000 CAD (2017 - \$31,000 CAD). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$563,000 (2017 - \$820,000) or 10.3% (2017 – 10.2%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

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

Fair Value Hierarchy

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

		2018			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
BCI Money Market Funds		\$ 166	\$ -	\$ -	\$ 166
Unlisted Private Equity Investee Funds		-	-	5,461	5,461
Total Investments		\$ 166	\$ -	\$ 5,461	\$ 5,627

		2017			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
BCI Money Market Funds		20	-	-	20
Unlisted Private Equity Investee Funds		-	-	8,183	8,183
Total Investments		\$ 20	\$ -	\$ 8,183	\$ 8,203

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 8,183
Total gains or (losses) recognized in profit or loss	1,867
Purchases	-
Sales	(4,589)
Balance, end of year	\$ 5,461

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 1,743
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BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

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

Fair Value Hierarchy (continued)

	2017
	Unlisted Private Equity Investee Funds
(in 000s)	
Balance, beginning of year	\$ 18,083
Total gains or (losses) recognized in profit or loss	(4,975)
Purchases	-
Sales	(4,925)
Balance, end of year	<u>\$ 8,183</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (5,481)</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 5,461	Net Asset Value	Net Asset Value	\$ 5,461	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 8,183	Unadjusted Net Asset Value	Net Asset Value	\$ 8,183	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

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

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

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 546	\$ 818
Unfavourable	\$ (546)	\$ (818)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$5,622,000 (2017 - \$8,198,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 166
Unlisted private equity investee funds administered by third party managers	6	\$ 172,129	\$ 5,461

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 20
Unlisted private equity investee funds administered by third party managers	5	\$ 325,188	\$ 8,183

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

Statement of Financial Position
(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 1,501	\$ 1,813
Liabilities			
BCI cost recoveries payable	4	69	58
Other accounts payable		12	11
		<u>81</u>	<u>69</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,420</u>	<u>\$ 1,744</u>
<i>Number of redeemable units outstanding</i>	5	0.808	0.899
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,757</u>	<u>\$ 1,940</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss
(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 84	\$ -
Net change in unrealized appreciation		(96)	(213)
Total revenue		<u>(12)</u>	<u>(213)</u>
Expenses:			
BCI cost recoveries	4	77	113
Administrative fees		25	19
Total operating expenses		<u>102</u>	<u>132</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (114)</u>	<u>\$ (345)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 1,744	\$ 2,014
Decrease in net assets attributable to holders of redeemable units	(114)	(345)
Redeemable unit transactions:		
Proceeds from units issued	89	75
Amounts paid for units redeemed	(299)	-
Net increase (decrease) from redeemable unit transactions	(210)	75
Balance, end of year	\$ 1,420	\$ 1,744

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	\$ (114)	\$ (345)
Adjustments for:		
Net realized gain from investments	(84)	-
Net change in unrealized appreciation of investments	96	213
Proceeds from sale of investments	379	75
Amounts paid for purchase of investments	(79)	(75)
BCI cost recoveries payable	11	58
Other accounts payable	1	(1)
	210	(75)
Financing activities:		
Proceeds from issuance of redeemable units	89	75
Payments on redemption of redeemable units	(299)	-
	(210)	75
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 1,496	\$ 1,213	\$ 1,808	\$ 1,429
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 1,501</u>	<u>\$ 1,218</u>	<u>\$ 1,813</u>	<u>\$ 1,434</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

Financial Risk Management Discussion
as at December 31

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Private Placement Fund 1999A.

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

(in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 1,481	99.0 %	\$ 1,795	99.3 %
BCI Money Market Funds	15	1.0 %	13	0.7 %
	<u>\$ 1,496</u>	<u>100.0 %</u>	<u>\$ 1,808</u>	<u>100.0 %</u>

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

Credit Risk

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

Liquidity Risk

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

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

See accompanying Notes to the Financial Statements.

Financial Risk Management Discussion (continued)
as at December 31

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$485,000 CAD which represents 34.2% of the net asset value of the Fund (2017 - \$795,000 CAD which represented 45.6% of the net asset value of the Fund).

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$5,000 CAD (2017 - \$8,000 CAD), representing 0.4% of the Fund's net assets (2017 - 0.5%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

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

Currency Risk (continued)

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$137,000 CAD (2017 - \$125,000 CAD). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,000 CAD (2017 - \$1,000 CAD). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$150,000 (2017 - \$181,000) or 10.6% (2017 - 10.4%) of net assets attributable to holders of redeemable units.

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

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

Fair Value Hierarchy

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

		2018			Total
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	
(in 000s)					
BCI Money Market Funds		\$ 20	\$ -	\$ -	\$ 20
Unlisted Private Equity Investee Funds		-	-	1,481	1,481
Total Investments		\$ 20	\$ -	\$ 1,481	\$ 1,501

		2017			Total
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	
(in 000s)					
BCI Money Market Funds		\$ 18	\$ -	\$ -	\$ 18
Unlisted Private Equity Investee Funds		-	-	1,795	1,795
Total Investments		\$ 18	\$ -	\$ 1,795	\$ 1,813

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

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

Fair Value Hierarchy (continued)

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

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)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 1,795
Total gains or (losses) recognized in profit or loss	(16)
Purchases	-
Sales	(298)
Balance, end of year	<u>\$ 1,481</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (11)</u>
	2017
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 2,004
Total gains or (losses) recognized in profit or loss	(209)
Purchases	-
Sales	-
Balance, end of year	<u>\$ 1,795</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (209)</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 478	Net Asset Value	Net Asset Value	\$ 478	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,003	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 1,003	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 788	Unadjusted Net Asset Value	Net Asset Value	\$ 788	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,007	Adjusted Net Asset Value	Net Asset Value	\$ 2,096	The estimated fair value would increase (decrease) if:
			Adjusted Net Asset Value	\$ (1,089)	- The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

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

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

(ii) Adjusted Net Asset Value:

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

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

(in 000s)	2018	2017
Favourable	\$ 148	\$ 180
Unfavourable	\$ (148)	\$ (180)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

PRIVATE PLACEMENT FUND 1999A

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$1,496,000 (2017 - \$1,808,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 20
Unlisted private equity investee funds administered by third party managers	3	\$ 54,738	\$ 1,481

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 18
Unlisted private equity investee funds administered by third party managers	3	\$ 78,371	\$ 1,795

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 7,788	\$ 9,865
Liabilities			
BCI cost recoveries payable	4	147	133
Other accounts payable		11	11
		<u>158</u>	<u>144</u>
Net assets attributable to holders of redeemable units		<u>\$ 7,630</u>	<u>\$ 9,721</u>
<i>Number of redeemable units outstanding</i>	5	1.764	2.598
Net assets attributable to holders of redeemable units per unit		<u>\$ 4,325</u>	<u>\$ 3,742</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 2,678	\$ 1,569
Net change in unrealized appreciation		(1,350)	(2,481)
Total revenue		<u>1,328</u>	<u>(912)</u>
Expenses:			
BCI cost recoveries	4	188	322
Administrative fees		25	19
Total operating expenses		<u>213</u>	<u>341</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,115</u>	<u>(1,253)</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(2,357)</u>	<u>(1,325)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (1,242)</u>	<u>\$ (2,578)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 9,721	\$ 12,725
Decrease in net assets attributable to holders of redeemable units	(1,242)	(2,578)
Redeemable unit transactions:		
Proceeds from units issued	227	173
Reinvestment of distributions	2,357	1,325
Amounts paid for units redeemed	(3,433)	(1,924)
Net decrease from redeemable unit transactions	(849)	(426)
Balance, end of year	\$ 7,630	\$ 9,721

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	\$ (1,242)	\$ (2,578)
Adjustments for:		
Net realized gain from investments	(2,678)	(1,569)
Net change in unrealized appreciation of investments	1,350	2,481
Non cash distributions	2,357	1,325
Proceeds from sale of investments	3,617	2,203
Amounts paid for purchase of investments	(212)	(235)
BCI cost recoveries payable	14	125
Other accounts payable	-	(1)
	<u>3,206</u>	<u>1,751</u>
Financing activities:		
Proceeds from issuance of redeemable units	227	173
Payments on redemption of redeemable units	(3,433)	(1,924)
	<u>(3,206)</u>	<u>(1,751)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 7,783	\$ 1,489	\$ 9,860	\$ 2,216
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u><u>\$ 7,788</u></u>	<u><u>\$ 1,494</u></u>	<u><u>\$ 9,865</u></u>	<u><u>\$ 2,221</u></u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2000 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 7,186	92.4 %	\$ 9,847	99.9 %
BCI Money Market Funds	533	6.8 %	13	0.1 %
Cash	64	0.8 %	-	- %
	<u>\$ 7,783</u>	<u>100.0 %</u>	<u>\$ 9,860</u>	<u>100.0 %</u>

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

Credit Risk

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

Liquidity Risk

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

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

Liquidity Risk (continued)

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$7,297,000 CAD which represents 95.6% of the net asset value of the Fund (2017 - \$8,213,000 CAD which represented 84.5% of the net asset value of the Fund).

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$73,000 CAD (2017 - \$82,000 CAD), representing 1.0% of the Fund's net assets (2017 - 0.8%). 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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$1,350,000 CAD (2017 - \$1,238,000 CAD). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$14,000 CAD (2017 - \$12,000 CAD). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$779,000 (2017 - \$986,000) or 10.2% (2017 - 10.1%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Fair Value Hierarchy

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

		2018			Total
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	
(in 000s)					
Cash and Cash Equivalents		\$ 64	\$ -	\$ -	\$ 64
BCI Money Market Funds		538	-	-	538
Unlisted Private Equity Investee Funds		-	-	7,186	7,186
Total Investments		\$ 538	\$ -	\$ 7,186	\$ 7,788

		2017			Total
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	
(in 000s)					
BCI Money Market Funds		\$ 18	\$ -	\$ -	\$ 18
Unlisted Private Equity Investee Funds		-	-	9,847	9,847
Total Investments		\$ 18	\$ -	\$ 9,847	\$ 9,865

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

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

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	2017
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
(in 000s)		
Balance, beginning of year	\$ 9,847	\$ 12,572
Total gains or (losses) recognized in profit or loss	1,297	(903)
Purchases	109	-
Sales	(4,067)	(1,822)
Balance, end of year	<u>\$ 7,186</u>	<u>\$ 9,847</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 1,061</u>	<u>\$ 14,617</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				Sensitivity to Change in Significant Unobservable Input
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	
Unlisted Private Equity Investee Fund	\$ 7,186	Net Asset Value	Net Asset Value	\$ 7,186	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

	2017				Sensitivity to Change in Significant Unobservable Input
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	
Unlisted Private Equity Investee Funds	\$ 9,847	Unadjusted Net Asset Value	Net Asset Value	9,847	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

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

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 719	\$ 985
Unfavourable	\$ (719)	\$ (985)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2000 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$7,783,000 (2017 - \$9,860,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 538
Unlisted private equity investee funds administered by third party managers	6	\$ 422,269	\$ 7,186

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 18
Unlisted private equity investee funds administered by third party managers	5	\$ 539,424	\$ 9,847

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 675	\$ 3,451
Liabilities			
BCI cost recoveries payable	4	65	59
Other accounts payable		11	11
		<u>76</u>	<u>70</u>
Net assets attributable to holders of redeemable units		<u>\$ 599</u>	<u>\$ 3,381</u>
<i>Number of redeemable units outstanding</i>	5	0.152	0.843
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,941</u>	<u>\$ 4,011</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 2,254	\$ 2,234
Net change in unrealized appreciation		(2,132)	(2,487)
Total revenue		<u>122</u>	<u>(253)</u>
Expenses:			
BCI cost recoveries	4	61	121
Administrative fees		25	19
Total operating expenses		<u>86</u>	<u>140</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>36</u>	<u>(393)</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		(2,117)	(2,130)
Decrease in net assets attributable to holders of redeemable units		<u>\$ (2,081)</u>	<u>\$ (2,523)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 3,381	\$ 6,562
Decrease in net assets attributable to holders of redeemable units	(2,081)	(2,523)
Redeemable unit transactions:		
Proceeds from units issued	76	78
Reinvestment of distributions	2,117	2,130
Amounts paid for units redeemed	(2,894)	(2,866)
Net decrease from redeemable unit transactions	(701)	(658)
Balance, end of year	\$ 599	\$ 3,381

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	\$ (2,081)	\$ (2,523)
Adjustments for:		
Net realized gain from investments	(2,254)	(2,234)
Net change in unrealized appreciation of investments	2,132	2,487
Non cash distributions	2,117	2,130
Proceeds from sale of investments	2,966	2,953
Amounts paid for purchase of investments	(68)	(78)
BCI cost recoveries payable	6	54
Other accounts payable	-	(1)
	<u>2,818</u>	<u>2,788</u>
Financing activities:		
Proceeds from issuance of redeemable units	76	78
Payments on redemption of redeemable units	(2,894)	(2,866)
	<u>(2,818)</u>	<u>(2,788)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 675	\$ 135	\$ 3,446	\$ 774
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	-	-	5	5
Total Investments	<u>\$ 675</u>	<u>\$ 135</u>	<u>\$ 3,451</u>	<u>\$ 779</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2001 Private Placement Fund.

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

(in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 653	96.7 %	\$ 3,205	93.0 %
BCI Money Market Funds	22	3.3 %	241	7.0 %
	<u>\$ 675</u>	<u>100.0 %</u>	<u>\$ 3,446</u>	<u>100.0 %</u>

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

Credit Risk

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

Liquidity Risk

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

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$667,000 CAD which represents 111.4% of the net asset value of the Fund (2017 - \$3,211,000 CAD which represented 95.0% of the net asset value of the Fund).

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$7,000 CAD (2017 - \$32,000 CAD), representing 1.2% of the Fund's net assets (2017 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$444,000 CAD (2017 - \$1,440,000 CAD). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$4,000 CAD (2017 - \$14,000 CAD). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

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

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$68,000 (2017 - \$345,000) or 11.4% (2017 – 10.2%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Fair Value Hierarchy

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

2018				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 22	\$ -	\$ -	\$ 22
Unlisted Private Equity Investee Funds	-	-	653	653
Total Investments	\$ 22	\$ -	\$ 653	\$ 675

2017				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 246	\$ -	\$ -	\$ 246
Unlisted Private Equity Investee Funds	-	-	3,205	3,205
Total Investments	\$ 246	\$ -	\$ 3,205	\$ 3,451

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

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
	Unlisted Private Equity Investee Funds
(in 000s)	
Balance, beginning of year	\$ 3,205
Total gains or (losses) recognized in profit or loss	120
Purchases	-
Sales	(2,672)
Balance, end of year	<u>\$ 653</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 98</u>

	2017
	Unlisted Private Equity Investee Funds
(in 000s)	
Balance, beginning of year	\$ 5,794
Total gains or (losses) recognized in profit or loss	(209)
Purchases	-
Sales	(2,380)
Balance, end of year	<u>\$ 3,205</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (2,250)</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 653	Net Asset Value	Net Asset Value	\$ 653	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 3,205	Unadjusted Net Asset Value	Net Asset Value	\$ 3,205	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

(in 000s)	2018	2017
Favourable	\$ 65	\$ 321
Unfavourable	\$ (65)	\$ (321)

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$675,000 (2017 - \$3,446,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 22
Unlisted private equity investee funds administered by third party managers	2	\$ 28,164	\$ 653

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2001 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 246
Unlisted private equity investee funds administered by third party managers	3	\$ 184,193	\$ 3,205

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 11,980	\$ 18,567
Liabilities			
BCI cost recoveries payable	4	96	86
Other accounts payable		11	11
		<u>107</u>	<u>97</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 11,873</u></u>	<u><u>\$ 18,470</u></u>
<i>Number of redeemable units outstanding</i>	5	3,600	6,212
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,298</u></u>	<u><u>\$ 2,973</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 4,621	\$ 6,227
Net change in unrealized appreciation		(3,182)	(6,176)
Total revenue		<u>1,439</u>	<u>51</u>
Expenses:			
BCI cost recoveries	4	99	187
Administrative fees		25	19
Total operating expenses		<u>124</u>	<u>206</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,315</u>	<u>(155)</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(4,426)</u>	<u>(6,081)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (3,111)</u></u>	<u><u>\$ (6,236)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 18,470	\$ 30,060
Decrease in net assets attributable to holders of redeemable units	(3,111)	(6,236)
Redeemable unit transactions:		
Proceeds from units issued	114	111
Reinvestment of distributions	4,426	6,081
Amounts paid for units redeemed	(8,026)	(11,546)
Net decrease from redeemable unit transactions	(3,486)	(5,354)
Balance, end of year	\$ 11,873	\$ 18,470

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	\$ (3,111)	\$ (6,236)
Adjustments for:		
Net realized gain from investments	(4,621)	(6,227)
Net change in unrealized appreciation of investments	3,182	6,176
Non cash distributions	4,426	6,081
Proceeds from sale of investments	8,130	11,673
Amounts paid for purchase of investments	(104)	(111)
BCI cost recoveries payable	10	80
Other accounts payable	-	(1)
	<u>7,912</u>	<u>11,435</u>
Financing activities:		
Proceeds from issuance of redeemable units	114	111
Payments on redemption of redeemable units	(8,026)	(11,546)
	<u>(7,912)</u>	<u>(11,435)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 11,975	\$ 4,629	\$ 18,562	\$ 8,034
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 11,980</u>	<u>\$ 4,634</u>	<u>\$ 18,567</u>	<u>\$ 8,039</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2002 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 11,316	94.5 %	\$ 17,377	93.6 %
Foreign Currency Contracts	-	- %	(1)	- %
BCI Money Market Funds	21	0.2 %	1,186	6.4 %
Cash	638	5.3 %	-	- %
	<u>\$ 11,975</u>	<u>100.0 %</u>	<u>\$ 18,562</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 270	2.3 %	\$ 260	1.4 %
United States Dollar	11,627	97.9 %	17,021	92.2 %
Net Exposure	<u>\$ 11,897</u>	<u>100.2 %</u>	<u>\$ 17,281</u>	<u>93.6 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$119,000 CAD (2017 - \$173,000 CAD), representing 1.0% of the Fund's net assets (2017 – 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, 2018 and 2017, the Fund had the following additional exposure to currency risk through its future unfunded commitments:

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 575	\$ 554
United States Dollar	3,169	2,907
	<u>\$ 3,744</u>	<u>\$ 3,461</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$37,000 CAD (2017 - \$35,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$1,198,000 (2017 - \$1,857,000) or 10.1% (2017 – 10.1%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash and Cash Equivalents	\$ 638	\$ -	\$ -	\$ 638
BCI Money Market Funds	26	-	-	26
Unlisted Private Equity Investee Funds	-	-	11,316	11,316
Total Investments	\$ 664	\$ -	\$ 11,316	\$ 11,980

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 1,191	\$ -	\$ -	\$ 1,191
Foreign Currency Contracts	-	(1)	-	(1)
Unlisted Private Equity Investee Funds	-	-	17,377	17,377
Total Investments	\$ 1,191	\$ (1)	\$ 17,377	\$ 18,567

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 17,377
Total gains or (losses) recognized in profit or loss	1,437
Purchases	-
Sales	(7,498)
Balance, end of year	\$ 11,316

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 874
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	2017
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 29,361
Total gains or (losses) recognized in profit or loss	23
Purchases	-
Sales	(12,007)
Balance, end of year	\$ 17,377

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (5,759)
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During 2018 and 2017, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 11,316	Net Asset Value	Net Asset Value	\$ 11,316	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 17,377	Unadjusted Net Asset Value	Net Asset Value	\$ 17,377	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners.
- The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as Level 3 within the fair value hierarchy.

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

(in 000s)	2018	2017
Favourable	\$ 1,132	\$ 1,738
Unfavourable	\$ (1,132)	\$ (1,738)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2002 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$11,975,000 (2017 - \$18,562,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 26
Unlisted private equity investee funds administered by third party managers	4	\$ 135,158	\$ 11,316

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 1,191
Unlisted private equity investee funds administered by third party managers	4	\$ 220,580	\$ 17,377

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 30,883	\$ 32,563
Liabilities			
BCI cost recoveries payable	4	145	134
Other accounts payable		11	11
		<u>156</u>	<u>145</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 30,727</u></u>	<u><u>\$ 32,418</u></u>
<i>Number of redeemable units outstanding</i>	5	16.473	17.230
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,865</u></u>	<u><u>\$ 1,881</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 1,113	\$ 3,289
Net change in unrealized appreciation		(1,161)	1,652
Total revenue		<u>(48)</u>	<u>4,941</u>
Expenses:			
BCI cost recoveries	4	149	313
Administrative fees		25	19
Total operating expenses		<u>174</u>	<u>332</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(222)</u>	<u>4,609</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(829)</u>	<u>(3,058)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (1,051)</u></u>	<u><u>\$ 1,551</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 32,418	\$ 32,855
Increase (decrease) in net assets attributable to holders of redeemable units	(1,051)	1,551
Redeemable unit transactions:		
Proceeds from units issued	178	182
Reinvestment of distributions	829	3,058
Amounts paid for units redeemed	(1,647)	(5,228)
Net decrease from redeemable unit transactions	(640)	(1,988)
Balance, end of year	\$ 30,727	\$ 32,418

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (1,051)	\$ 1,551
Adjustments for:		
Net realized gain from investments	(1,113)	(3,289)
Net change in unrealized appreciation of investments	1,161	(1,652)
Non cash distributions	829	3,058
Proceeds from sale of investments	1,798	5,434
Amounts paid for purchase of investments	(166)	(181)
BCI cost recoveries payable	11	126
Other accounts payable	-	(1)
	<u>1,469</u>	<u>5,046</u>
Financing activities:		
Proceeds from issuance of redeemable units	178	182
Payments on redemption of redeemable units	(1,647)	(5,228)
	<u>(1,469)</u>	<u>(5,046)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 30,878	\$ 10,288	\$ 32,558	\$ 10,807
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 30,883</u>	<u>\$ 10,293</u>	<u>\$ 32,563</u>	<u>\$ 10,812</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2003 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 3,774	12.2 %	\$ 5,671	17.5 %
Unlisted Private Equity Investee Funds	27,081	87.7 %	26,871	82.5 %
BCI Money Market Funds	23	0.1 %	16	- %
	<u>\$ 30,878</u>	<u>100.0 %</u>	<u>\$ 32,558</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Software & Services	\$ 3,774	12.2 %	\$ 5,671	17.4 %
Total Unlisted Private Equity Investee Funds in diversified industries	27,081	87.8 %	26,871	82.6 %
	<u>\$ 30,855</u>	<u>100.0 %</u>	<u>\$ 32,542</u>	<u>100.0 %</u>

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

Other Price Risk (continued)

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Canada	\$ 3,774	12.2 %	\$ 5,671	17.4 %
Total Unlisted Private Equity Investee Funds diversified globally	27,081	87.8 %	26,871	82.6 %
	<u>\$ 30,855</u>	<u>100.0 %</u>	<u>\$ 32,542</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$3,088,000 (2017 - \$3,256,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy

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

		2018			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
BCI Money Market Funds		\$ 28	\$ -	\$ -	\$ 28
Direct Private Equity Investments		-	-	3,774	3,774
Unlisted Private Equity Investee Funds		-	-	27,081	27,081
Total Investments		\$ 28	\$ -	\$ 30,855	\$ 30,883

		2017			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
BCI Money Market Funds		\$ 21	\$ -	\$ -	\$ 21
Direct Private Equity Investments		-	-	5,671	5,671
Unlisted Private Equity Investee Funds		-	-	26,871	26,871
Total Investments		\$ 21	\$ -	\$ 32,542	\$ 32,563

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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		
		Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year		\$ 5,671	\$ 26,871	\$ 32,542
Total gains or (losses) recognized in profit or loss		(1,897)	1,927	30
Purchases		-	81	81
Sales		-	(1,798)	(1,798)
Balance, end of year		\$ 3,774	\$ 27,081	\$ 30,855

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date		\$ (1,897)	\$ 845	\$ (1,052)
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See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

	2017			
	Direct Private Equity Investments	Private Equity Investee Funds	Unlisted	Total
(in 000s)				
Balance, beginning of year	\$ 5,588	\$ 26,212	\$	\$ 31,800
Total gains or (losses) recognized in profit or loss	83	4,641		4,724
Purchases	-	-		-
Sales	-	(3,982)		(3,982)
Balance, end of year	<u>\$ 5,671</u>	<u>\$ 26,871</u>	<u>\$</u>	<u>\$ 32,542</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 83</u>	<u>\$ 12,660</u>	<u>\$</u>	<u>\$ 12,743</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 3,774	Market approach	Revenue multiple	33x	The estimated fair value would increase (decrease) if the EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 27,081	Net Asset Value	Net Asset Value	\$ 27,081	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 5,671	Market approach	EV / EBITDA	\$ 5,671	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 26,871	Unadjusted Net Asset Value	Net Asset Value	\$ 26,871	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

EV represent amounts that market participants would use when pricing the investments. EV may be based on arm's length financing rounds, or other limited market events. EBITDA and revenue multiples are selected from comparable public companies and transactions in private 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 or revenue and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

(ii) Net Asset Value:

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

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

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 3,085	\$ 3,254
Unfavourable	\$ (3,085)	\$ (3,254)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2003 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$30,878,000 (2017 - \$32,558,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 28
Unlisted private equity investee funds administered by third party managers	4	\$ 181,794	\$ 27,081

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 22
Unlisted private equity investee funds administered by third party managers	4	\$ 184,846	\$ 26,871

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 3,483	\$ 9,603
Liabilities			
BCI cost recoveries payable	4	153	143
Other accounts payable		11	11
		<u>164</u>	<u>154</u>
Net assets attributable to holders of redeemable units		<u>\$ 3,319</u>	<u>\$ 9,449</u>
<i>Number of redeemable units outstanding</i>	5	3,542	14,741
Net assets attributable to holders of redeemable units per unit		<u>\$ 937</u>	<u>\$ 641</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain (loss)		\$ 754	\$ (15,483)
Net change in unrealized appreciation		712	11,303
Total revenue		<u>1,466</u>	<u>(4,180)</u>
Expenses:			
BCI cost recoveries	4	148	321
Administrative fees		25	19
Total operating expenses		<u>173</u>	<u>340</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,293</u>	<u>(4,520)</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(462)</u>	<u>(2,115)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 831</u>	<u>\$ (6,635)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 9,449	\$ 26,544
Increase (decrease) in net assets attributable to holders of redeemable units	831	(6,635)
Redeemable unit transactions:		
Proceeds from units issued	183	224
Reinvestment of distributions	462	2,115
Amounts paid for units redeemed	(7,606)	(12,799)
Net decrease from redeemable unit transactions	(6,961)	(10,460)
Balance, end of year	\$ 3,319	\$ 9,449

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 831	\$ (6,635)
Adjustments for:		
Net realized (gain) loss from investments	(754)	15,483
Net change in unrealized appreciation of investments	(712)	(11,303)
Non cash distributions	462	2,115
Proceeds from sale of investments	7,757	13,009
Amounts paid for purchase of investments	(171)	(224)
BCI cost recoveries payable	10	131
Other accounts payable	-	(1)
	<u>7,423</u>	<u>12,575</u>
Financing activities:		
Proceeds from issuance of redeemable units	183	224
Payments on redemption of redeemable units	(7,606)	(12,799)
	<u>(7,423)</u>	<u>(12,575)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 3,478	\$ 2,296	\$ 9,598	\$ 9,128
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 3,483</u>	<u>\$ 2,301</u>	<u>\$ 9,603</u>	<u>\$ 9,133</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2004 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ -	- %	\$ 7	- %
Unlisted Private Equity Investee Funds	3,445	99.1 %	9,565	99.7 %
BCI Money Market Funds	33	0.9 %	26	0.3 %
	<u>\$ 3,478</u>	<u>100.0 %</u>	<u>\$ 9,598</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency totalling \$2,363,000 CAD which represents 71.2% of the net asset value of the Fund (2017 - \$2,927,000 CAD which represented 31.0% of the net asset value of the Fund).

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$24,000 CAD (2017 - \$29,000 CAD), representing 0.7% of the Fund's net assets (2017 - 0.3%). 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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2004 PRIVATE PLACEMENT FUND

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

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$348,000 (2017 - \$960,000) or 10.5% (2017 – 10.2%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Fair Value Hierarchy

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

2018				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 38	\$ -	\$ -	\$ 38
Unlisted Private Equity Investee Funds	-	-	3,445	3,445
Total Investments	\$ 38	\$ -	\$ 3,445	\$ 3,483

2017				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 31	\$ -	\$ -	\$ 31
Direct Private Equity Investment	-	-	7	7
Unlisted Private Equity Investee Funds	-	-	9,565	9,565
Total Investments	\$ 31	\$ -	\$ 9,572	\$ 9,603

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

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

Fair Value Hierarchy (continued)

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

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)	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Balance, beginning of year	\$ 7	\$ 9,565	\$ 9,572
Total gains or (losses) recognized in profit or loss	(7)	1,580	1,573
Purchases	-	10	10
Sales	-	(7,710)	(7,710)
Balance, end of year	\$ -	\$ 3,445	\$ 3,445

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date

\$ -	\$ 209	\$ 209
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	2017		
(in 000s)	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Balance, beginning of year	\$ -	\$ 26,540	\$ 26,540
Total gains or (losses) recognized in profit or loss	(600)	(4,953)	(5,553)
Purchases	828	455	1,283
Sales	(221)	(12,477)	(12,698)
Balance, end of year	\$ 7	\$ 9,565	\$ 9,572

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date

\$ (19)	\$ 47,560	\$ 47,541
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During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 3,445	Net Asset Value	Net Asset Value	\$ 3,445	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 7	Market Approach	EV/EBITDA	\$ 7	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 9,565	Unadjusted Adjusted Net Asset Value	Net Asset Value	\$ 9,565	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of the unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners.
- The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as Level 3 within the fair value hierarchy.
- (ii) Enterprise Value ("EV") and EBITDA multiples:
Represent amounts that market participants would use when pricing the investments. EV and EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 345	\$ 957
Unfavourable	\$ (345)	\$ (957)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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2004 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$3,478,000 (2017 - \$9,598,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 38
Unlisted private equity investee funds administered by third party managers	5	\$ 36,760	\$ 3,445

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 31
Unlisted private equity investee funds administered by third party managers	5	\$ 77,642	\$ 9,565

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2005 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 41,191	\$ 64,938
Liabilities			
BCI cost recoveries payable	4	496	286
Other accounts payable		11	11
		<u>507</u>	<u>297</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 40,684</u></u>	<u><u>\$ 64,641</u></u>
<i>Number of redeemable units outstanding</i>	5	30.407	50.167
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,338</u></u>	<u><u>\$ 1,289</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		17,268	83,081
Net change in unrealized appreciation		(17,076)	(81,094)
Total revenue		<u>192</u>	<u>1,988</u>
Expenses:			
BCI cost recoveries	4	513	712
External management fees		-	20
Administrative fees		25	19
Total operating expenses		<u>538</u>	<u>751</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>(346)</u>	<u>1,237</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(16,503)</u>	<u>(82,544)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (16,849)</u></u>	<u><u>\$ (81,307)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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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	\$ 64,641	\$ 184,835
Decrease in net assets attributable to holders of redeemable units	(16,849)	(81,307)
Redeemable unit transactions:		
Proceeds from units issued	417	933
Reinvestment of distributions	16,503	82,544
Amounts paid for units redeemed	(24,028)	(122,364)
Net decrease from redeemable unit transactions	(7,108)	(38,887)
Balance, end of year	\$ 40,684	\$ 64,641

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	\$ (16,849)	\$ (81,307)
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(17,268)	(83,081)
Net change in unrealized appreciation of investments	17,076	81,094
Non cash distributions	16,503	82,544
Proceeds from sale of investments	24,337	122,979
Amounts paid for purchase of investments	(398)	(1,054)
BCI cost recoveries payable	210	257
Other accounts payable	-	(1)
Interest received	-	1
	<u>23,611</u>	<u>121,431</u>
Financing activities:		
Proceeds from issuance of redeemable units	417	933
Payments on redemption of redeemable units	(24,028)	(122,364)
	<u>(23,611)</u>	<u>(121,431)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 41,182	\$ 9,955	\$ 64,930	\$ 16,627
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	5	5	5	5
Fund ST3	4	4	3	3
	<u>9</u>	<u>9</u>	<u>8</u>	<u>8</u>
Total Investments	<u>\$ 41,191</u>	<u>\$ 9,964</u>	<u>\$ 64,938</u>	<u>\$ 16,635</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2005 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 1,014	2.5 %	\$ 6,122	9.4 %
Unlisted Private Equity Investee Funds	36,211	87.9 %	51,923	80.0 %
Foreign Currency Contracts	-	- %	(1)	- %
BCI Money Market Funds	2,568	6.2 %	1,500	2.3 %
Cash	1,389	3.4 %	-	- %
Net Investment-Related Receivables	-	- %	5,386	8.3 %
	<u>\$ 41,182</u>	<u>100.0 %</u>	<u>\$ 64,930</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 1,081	2.7 %	\$ 11,597	17.9 %
United States Dollar	40,086	98.5 %	50,618	78.3 %
Net Exposure	<u>\$ 41,167</u>	<u>101.2 %</u>	<u>\$ 62,215</u>	<u>96.2 %</u>

See accompanying Notes to the Financial Statements.

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PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$412,000 CAD (2017 - \$622,000 CAD), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 7,803	\$ 7,519
United States Dollar	14,203	18,109
	<u>\$ 22,006</u>	<u>\$ 25,628</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$220,000 CAD (2017 - \$256,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Consumer Discretionary	\$ 1,014	2.7 %	\$ 6,122	10.5 %
Total Unlisted Private Equity Investee Funds in diversified industries	36,211	97.3 %	51,923	89.5 %
	<u>\$ 37,225</u>	<u>100.0 %</u>	<u>\$ 58,045</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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**Financial Risk Management Discussion (continued)
as at December 31**

Other Price Risk (continued)

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 1,014	2.7 %	\$ 6,122	10.5 %
Total Unlisted Private Equity Investee Funds diversified globally	36,211	97.3 %	51,923	89.5 %
	<u>\$ 37,225</u>	<u>100.0 %</u>	<u>\$ 58,045</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$4,119,000 (2017 - \$6,494,000) or 10.1% (2017 - 10.0%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Fair Value Hierarchy

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

(in 000s)	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and Cash Equivalents	\$ 1,389	\$ -	\$ -	\$ 1,389
BCI Money Market Funds	2,577	-	-	2,577
Direct Private Equity Investments	-	-	1,014	1,014
Unlisted Private Equity Investee Funds	-	-	36,211	36,211
Total Investments	<u>\$ 3,966</u>	<u>\$ -</u>	<u>\$ 37,225</u>	<u>\$ 41,191</u>

See accompanying Notes to the Financial Statements.

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

Fair Value Hierarchy (continued)

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 5,386	\$ -	\$ 5,386
BCI Money Market Funds	1,508	-	-	1,508
Direct Private Equity Investments	-	-	6,122	6,122
Foreign Currency Contracts	-	(1)	-	(1)
Unlisted Private Equity Investee Funds	-	-	51,923	51,923
Total Investments	\$ 1,508	\$ 5,385	\$ 58,045	\$ 64,938

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 6,122	\$ 51,923	\$ 58,045
Total gains or (losses) recognized in profit or loss	(4,693)	5,930	1,237
Purchases	-	-	-
Sales	(415)	(21,642)	(43,699)
Balance, end of year	\$ 1,014	\$ 36,211	\$ 37,225
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (3,657)	\$ 3,950	\$ 293

See accompanying Notes to the Financial Statements.

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

Fair Value Hierarchy (continued)

	2017			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 8,171	\$ 7,017	\$ 167,199	\$ 182,387
Total gains or (losses) recognized in profit or loss	(1,706)	269	3,566	2,129
Purchases	-	-	86	86
Sales	(343)	(7,286)	(118,928)	(126,557)
Balance, end of year	<u>\$ 6,122</u>	<u>\$ -</u>	<u>\$ 51,923</u>	<u>\$ 58,045</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (1,744)</u>	<u>\$ 367</u>	<u>\$ 33,669</u>	<u>\$ 32,292</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,014	Net Asset Value	Net Asset Value	\$ 1,014	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 36,211	Net Asset Value	Net Asset Value	\$ 36,211	The estimated fair value would increase (decrease) if the net asset value of the unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

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PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 6,122	Unadjusted Net Asset Value	Net Asset Value	\$ 6,122	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Direct Private Debt Investments	\$ 51,923	Unadjusted Net Asset Value	Net Asset Value	\$ 51,923	The estimated fair value would increase (decrease) if the net asset value of direct private debt investments was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2005 PRIVATE PLACEMENT FUND

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

Effects of Unobservable Inputs on Fair Value Measurement (continued)

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

(in 000s)	2018	2017
Favourable	\$ 3,722	\$ 5,805
Unfavourable	\$ (3,722)	\$ (5,805)

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$41,182,000 (2017 - \$64,930,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 2,577
Unlisted private equity investee funds administered by third party managers	6	\$ 521,273	\$ 36,211

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2005 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 1,508
Unlisted private equity investee funds administered by third party managers	8	\$ 807,638	\$ 51,923

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 121,471	\$ 144,836
Liabilities			
BCI cost recoveries payable	4	332	318
Other accounts payable		11	11
		<u>343</u>	<u>329</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 121,128</u></u>	<u><u>\$ 144,507</u></u>
<i>Number of redeemable units outstanding</i>	5	46.318	64.510
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,615</u></u>	<u><u>\$ 2,240</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		25,835	88,527
Net change in unrealized appreciation		<u>(6,740)</u>	<u>(89,134)</u>
Total revenue		<u>19,095</u>	<u>(606)</u>
Expenses:			
BCI cost recoveries	4	361	782
Administrative fees		26	19
Total operating expenses		<u>387</u>	<u>801</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>18,708</u>	<u>(1,407)</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(25,193)</u>	<u>(87,971)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (6,485)</u></u>	<u><u>\$ (89,378)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 144,507	\$ 295,528
Decrease in net assets attributable to holders of redeemable units	(6,485)	(89,378)
Redeemable unit transactions:		
Proceeds from units issued	390	1,009
Reinvestment of distributions	25,193	87,971
Amounts paid for units redeemed	(42,477)	(150,623)
Net decrease from redeemable unit transactions	(16,894)	(61,643)
Balance, end of year	\$ 121,128	\$ 144,507

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	\$ (6,485)	\$ (89,378)
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(25,835)	(88,527)
Net change in unrealized appreciation of investments	6,740	89,134
Non cash distributions	25,193	87,971
Proceeds from sale of investments	42,827	151,138
Amounts paid for purchase of investments	(367)	(1,009)
BCI cost recoveries payable	14	286
Other accounts payable	-	(1)
Interest received	-	1
	<u>42,087</u>	<u>149,614</u>
Financing activities:		
Proceeds from issuance of redeemable units	390	1,009
Payments on redemption of redeemable units	(42,477)	(150,623)
	<u>(42,087)</u>	<u>(149,614)</u>
Cash, beginning and end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 121,466	\$ 42,014	\$ 144,831	\$ 58,639
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 121,471</u>	<u>\$ 42,019</u>	<u>\$ 144,836</u>	<u>\$ 58,644</u>

¹ The private equity investments are held through a private corporation.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2006 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 118,444	97.5 %	\$ 139,743	96.5 %
Foreign Currency Contracts	-	- %	1	- %
BCI Money Market Funds	24	- %	4,318	3.0 %
Cash	2,998	2.5 %	-	- %
Net Investment-Related Receivables	-	- %	769	0.5 %
	<u>\$ 121,466</u>	<u>100.0 %</u>	<u>\$ 144,831</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 9,321	7.7 %	\$ 13,984	9.7 %
United States Dollar	102,770	84.8 %	113,627	78.6 %
Net Exposure	<u>\$ 112,091</u>	<u>92.5 %</u>	<u>\$ 127,611</u>	<u>88.3 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$1,121,000 CAD (2017 - \$1,276,000 CAD), representing 0.9% of the Fund's net assets (2017 - 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 1,649	\$ 1,787
United States Dollar	7,201	7,049
	<u>\$ 8,850</u>	<u>\$ 8,836</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$89,000 CAD (2017 - \$88,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$12,147,000 (2017 - \$14,484,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash and Cash Equivalents	\$ 2,998	\$ -	\$ -	\$ 2,998
BCI Money Market Funds	29	-	-	29
Unlisted Private Equity Investee Funds	-	-	118,444	118,444
Total Investments	<u>\$ 3,027</u>	<u>\$ -</u>	<u>\$ 118,444</u>	<u>\$ 121,471</u>

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 769	\$ -	\$ 769
BCI Money Market Funds	4,323	-	-	4,323
Foreign Currency Contracts	-	1	-	1
Unlisted Private Equity Investee Funds	-	-	139,743	139,743
Total Investments	<u>\$ 4,323</u>	<u>\$ 770</u>	<u>\$ 139,743</u>	<u>\$ 144,836</u>

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ -	\$ 139,743	\$ 139,743
Total gains or (losses) recognized in profit or loss	68	18,965	19,033
Purchases	-	59	59
Sales	(68)	(40,323)	(40,391)
Balance, end of year	<u>\$ -</u>	<u>\$ 118,444</u>	<u>\$ 118,444</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ -</u>	<u>\$ 13,591</u>	<u>\$ 13,591</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

	2017			
	Direct Private	Unlisted Private	Funds	Total
	Equity Investments	Equity Investee		
(in 000s)				
Balance, beginning of year	\$ -	\$ 291,309	\$	291,309
Total gains or (losses) recognized in profit or loss	34	2,574		2,608
Purchases	-	966		966
Sales	(34)	(155,106)		(155,140)
Balance, end of year	\$ -	\$ 139,743	\$	139,743
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ -	\$ (30,062)	\$	(30,062)

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 118,444	Net Asset Value	Net Asset Value	\$ 118,444	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 137,042	Unadjusted Net Asset Value	Net Asset Value	\$ 137,042	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 2,701	Adjusted Net Asset Value	Net Asset Value	\$ 1,458	The estimated fair value would increase (decrease) if: -The net asset value of unlisted private equity investee funds was higher (lower). -The fair value adjustment was lower (higher).
			Adjusted Net Asset Value	\$ 1,243	

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

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

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

(ii) Adjusted Net Asset Value:

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

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 11,844	\$ 13,974
Unfavourable	\$ (11,844)	\$ (13,974)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2006 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through an intermediary holding corporation which constitutes a structured entity. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. This structured entity has been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of this entity of approximately \$121,466,000 (2017 - \$144,831,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 29
Unlisted private equity investee funds administered by third party managers	7	\$ 2,911,943	\$ 118,444

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 4,323
Unlisted private equity investee funds administered by third party managers	8	\$ 2,995,104	\$ 139,743

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 226,444	\$ 365,147
Liabilities			
BCI cost recoveries payable	4	543	531
Other accounts payable		11	11
		<u>554</u>	<u>542</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 225,890</u></u>	<u><u>\$ 364,605</u></u>
<i>Number of redeemable units outstanding</i>	5	107.162	183.642
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,108</u></u>	<u><u>\$ 1,985</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		86,828	126,659
Net change in unrealized appreciation		<u>(77,415)</u>	<u>(88,076)</u>
Total revenue		<u>9,413</u>	<u>38,584</u>
Expenses:			
BCI cost recoveries	4	714	1,422
Administrative fees		29	20
Total operating expenses		<u>743</u>	<u>1,442</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>8,670</u>	<u>37,142</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(85,675)</u>	<u>(125,618)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (77,005)</u></u>	<u><u>\$ (88,476)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 364,605	\$ 572,592
Decrease in net assets attributable to holders of redeemable units	(77,005)	(88,476)
Redeemable unit transactions:		
Proceeds from units issued	1,098	1,550
Reinvestment of distributions	85,675	125,618
Amounts paid for units redeemed	(148,483)	(246,679)
Net decrease from redeemable unit transactions	(61,710)	(119,511)
Balance, end of year	\$ 225,890	\$ 364,605

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	\$ (77,005)	\$ (88,476)
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(86,828)	(126,659)
Net change in unrealized appreciation of investments	77,415	88,076
Non cash distributions	85,675	125,618
Proceeds from sale of investments	149,165	247,646
Amounts paid for purchase of investments	(1,049)	(1,550)
BCI cost recoveries payable	12	475
Other accounts payable	-	(1)
Interest received	-	1
	<u>147,385</u>	<u>245,129</u>
Financing activities:		
Proceeds from issuance of redeemable units	1,098	1,550
Payments on redemption of redeemable units	(148,483)	(246,679)
	<u>(147,385)</u>	<u>(245,129)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 226,439	\$ 85,348	\$ 365,142	\$ 146,636
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 226,444</u>	<u>\$ 85,353</u>	<u>\$ 365,147</u>	<u>\$ 146,641</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2007 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 3,106	1.4 %	\$ 3,598	1.0 %
Unlisted Private Equity Investee Funds	195,328	86.3 %	298,493	81.8 %
Foreign Currency Contracts	-	- %	(4)	- %
BCI Money Market Funds	2,581	1.1 %	7,039	1.9 %
Public Equities	24,731	10.9 %	32,491	8.9 %
Cash	693	0.3 %	-	- %
Net Investment-Related Receivables	-	- %	23,525	6.4 %
	<u>\$ 226,439</u>	<u>100.0 %</u>	<u>\$ 365,142</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Brazilian Real	\$ 24,731	10.9 %	\$ 32,491	8.9 %
Euro	3,106	1.4 %	26,936	7.4 %
United States Dollar	158,987	70.4 %	247,866	68.0 %
Net Exposure	<u>\$ 186,824</u>	<u>82.7 %</u>	<u>\$ 307,293</u>	<u>84.3 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$1,868,000 CAD (2017 - \$3,073,000 CAD), representing 0.8% of the Fund's net assets (2017 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$26,524,000 CAD (2017 - \$42,288,000 CAD).

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$265,000 CAD (2017 - \$423,000 CAD). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Commercial & Professional Services	\$ 2,837	1.4 %	\$ 3,272	1.1 %
Food and Beverage	269	0.1 %	326	0.1 %
Total Direct Private Equity Investments	3,106	1.5 %	3,598	1.2 %
Total Unlisted Private Equity Investee Funds in diversified industries	195,328	98.4 %	298,493	98.8 %
	<u>\$ 198,434</u>	<u>99.9 %</u>	<u>\$ 302,091</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

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

Other Price Risk (continued)

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 3,106	1.6 %	\$ 3,598	1.2 %
Total Direct Private Equity Investments	3,106	1.6 %	3,598	1.2 %
Total Unlisted Private Equity Investee Funds diversified globally	195,328	98.4 %	298,493	98.8 %
	<u>\$ 198,434</u>	<u>100.0 %</u>	<u>\$ 302,091</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$22,644,000 (2017 - \$36,515,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units.

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

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

Fair Value Hierarchy

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

(in 000s)	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and Cash Equivalents	\$ 693	\$ -	\$ -	\$ 693
BCI Money Market Funds	2,586	-	-	2,586
Direct Private Equity Investments	-	-	3,106	3,106
Public Equities	24,731	-	-	24,731
Unlisted Private Equity Investee Funds	-	-	195,328	195,328
Total Investments	<u>\$ 28,010</u>	<u>\$ -</u>	<u>\$ 198,434</u>	<u>\$ 226,444</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related				
Receivables	\$ -	\$ 23,524	\$ -	\$ 23,524
BCI Money Market Funds	7,045	-	-	7,045
Foreign Currency Contracts	-	(4)	-	(4)
Direct Private Equity Investments	-	-	3,598	3,598
Public Equities	32,491	-	-	32,491
Unlisted Private Equity Investee				
Funds	-	-	298,493	298,493
Total Investments	<u>\$ 39,536</u>	<u>\$ 23,520</u>	<u>\$ 302,091</u>	<u>\$ 365,147</u>

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 3,598	\$ 298,493	\$ 302,091
Total gains or (losses) recognized in profit or loss	(492)	9,786	9,294
Purchases	-	1,831	1,831
Sales	-	(114,782)	(114,782)
Balance, end of year	<u>\$ 3,106</u>	<u>\$ 195,328</u>	<u>\$ 198,434</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (492)</u>	<u>\$ 8,311</u>	<u>\$ 7,819</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

	2017			
	Direct Private Debt Investments	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 23,253	\$ 15,868	\$ 508,299	\$ 547,420
Total gains or (losses) recognized in profit or loss	(2,756)	4,925	206	2,375
Purchases	-	10	4,774	4,784
Sales	(20,497)	(17,205)	(214,786)	(252,488)
Balance, end of year	\$ -	\$ 3,598	\$ 298,493	\$ 302,091
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (3,775)	\$ 7,866	\$ (26,187)	\$ (22,096)

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 3,106	Net Asset Value	Net Asset Value	\$ 3,106	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 195,328	Net Asset Value	Net Asset Value	\$ 195,328	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 3,598	Market approach	EV / EBITDA	\$ 3,598	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 298,493	Unadjusted Net Asset Value	Net Asset Value	\$ 298,493	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as Level 3 within the fair value hierarchy.
- (ii) **Enterprise Value ("EV") and EBITDA multiples:**
EV represent amounts that market participants would use when pricing the investments. EV may be based on arm's length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies and transactions in private 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.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 19,843	\$ 30,209
Unfavourable	\$ (19,843)	\$ (30,209)

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$226,439,000 (2017 - \$365,142,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 2,586
Unlisted private equity investee funds administered by third party managers	13	\$ 4,265,249	\$ 195,328

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2007 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 7,045
Unlisted private equity investee funds administered by third party managers	14	\$ 7,172,677	\$ 298,493

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		<u>\$ 426,779</u>	<u>\$ 537,533</u>
Liabilities			
BCI cost recoveries payable	4	445	428
Other accounts payable		<u>11</u>	<u>11</u>
		<u>456</u>	<u>439</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 426,323</u></u>	<u><u>\$ 537,094</u></u>
<i>Number of redeemable units outstanding</i>	5	99.323	147.890
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 4,292</u></u>	<u><u>\$ 3,632</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Loss

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		140,172	120,831
Net change in unrealized appreciation		<u>(65,062)</u>	<u>(83,172)</u>
Total revenue		<u>75,110</u>	<u>37,660</u>
Expenses:			
BCI cost recoveries	4	686	1,168
Administrative fees		<u>26</u>	<u>20</u>
Total operating expenses		<u>712</u>	<u>1,188</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>74,398</u>	<u>36,472</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(139,135)</u>	<u>(119,956)</u>
Decrease in net assets attributable to holders of redeemable units		<u><u>\$ (64,737)</u></u>	<u><u>\$ (83,484)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 537,094	\$ 670,052
Decrease in net assets attributable to holders of redeemable units	(64,737)	(83,484)
Redeemable unit transactions:		
Proceeds from units issued	2,170	2,475
Reinvestment of distributions	139,135	119,956
Amounts paid for units redeemed	(187,339)	(171,905)
Net decrease from redeemable unit transactions	(46,034)	(49,474)
Balance, end of year	\$ 426,323	\$ 537,094

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	\$ (64,737)	\$ (83,484)
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(140,172)	(120,831)
Net change in unrealized appreciation of investments	65,062	83,172
Non cash distributions	139,135	119,956
Proceeds from sale of investments	187,983	172,720
Amounts paid for purchase of investments	(2,119)	(2,475)
BCI cost recoveries payable	17	373
Other accounts payable	-	(1)
Interest received	-	1
	<u>185,169</u>	<u>169,430</u>
Financing activities:		
Proceeds from issuance of redeemable units	2,170	2,475
Payments on redemption of redeemable units	(187,339)	(171,905)
	<u>(185,169)</u>	<u>(169,430)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 426,774	\$ 93,033	\$ 537,528	\$ 138,725
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 426,779</u>	<u>\$ 93,038</u>	<u>\$ 537,533</u>	<u>\$ 138,730</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2008 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 105,009	24.6 %	\$ 112,028	20.8 %
Unlisted Private Equity Investee Funds	302,249	70.8 %	406,163	75.6 %
Foreign Currency Contracts	(2)	- %	(2)	- %
BCI Money Market Funds	8,568	2.0 %	13,483	2.5 %
Cash	10,950	2.6 %	-	- %
Net Investment-Related Receivables	-	- %	5,856	1.1 %
	<u>\$ 426,774</u>	<u>100.0 %</u>	<u>\$ 537,528</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment-Related Receivables	% of Total Net Assets	Net Investments and Investment-Related Receivables	% of Total Net Assets
Euro	\$ 150,557	35.3 %	\$ 216,901	40.4 %
United States Dollar	203,429	47.7 %	229,119	42.7 %
Net Exposure	<u>\$ 353,986</u>	<u>83.0 %</u>	<u>\$ 446,020</u>	<u>83.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$3,540,000 CAD (2017 - \$4,460,000 CAD), representing 0.8% of the Fund's net assets (2017 - 0.8%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 10,796	\$ 16,943
United States Dollar	54,808	56,324
	<u>\$ 65,604</u>	<u>\$ 73,267</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$656,000 CAD (2017 - \$733,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Health Care Equipment & Services	\$ 17,013	4.2 %	\$ 23,824	4.6 %
Pharmaceuticals, Biotechnology & Life Sciences	36,899	9.1 %	31,559	6.1 %
Software & Services	51,097	12.5 %	56,645	10.9 %
Total Direct Private Equity Investments	105,009	25.8 %	112,028	21.6 %
Total Unlisted Private Equity Investee Funds in diversified industries	302,249	74.2 %	406,163	78.4 %
	<u>\$ 407,258</u>	<u>100.0 %</u>	<u>\$ 518,191</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

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

Other Price Risk (continued)

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

**GEOGRAPHIC REGION
(in 000s)**

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 51,097	12.6 %	\$ 56,645	10.9 %
United States	53,912	13.2 %	55,383	10.7 %
Total Direct Private Equity Investments	105,009	25.8 %	112,028	21.6 %
Total Unlisted Private Equity Investee Funds diversified globally	302,249	74.2 %	406,163	78.4 %
	<u>\$ 407,258</u>	<u>100.0 %</u>	<u>\$ 518,191</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$42,678,000 (2017 - \$53,753,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash and Cash Equivalents	\$ 10,950	\$ -	\$ -	\$ 10,950
BCI Money Market Funds	8,573	-	-	8,573
Direct Private Equity Investments	-	-	105,009	105,009
Foreign Currency Contracts	-	(2)	-	(2)
Unlisted Private Equity Investee Funds	-	-	302,249	302,249
Total Investments	<u>\$ 19,523</u>	<u>\$ (2)</u>	<u>\$ 407,258</u>	<u>\$ 426,779</u>

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 5,856	\$ -	\$ 5,856
BCI Money Market Funds	13,488	-	-	13,488
Foreign Currency Contracts	-	(2)	-	(2)
Direct Private Equity Investments	-	-	112,028	112,028
Unlisted Private Equity Investee Funds	-	-	406,163	406,163
Total Investments	<u>\$ 13,488</u>	<u>\$ 5,854</u>	<u>\$ 518,191</u>	<u>\$ 537,533</u>

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Fair Value Hierarchy (continued)

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

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		
	Direct Private	Unlisted Private Equity	
(in 000s)	Equity	Investee	
	Investments	Funds	Total
Balance, beginning of year	\$ 112,028	\$ 406,163	\$ 518,191
Total gains or (losses) recognized in profit or loss	5,355	68,265	73,620
Purchases	499	3,850	4,349
Sales	(12,873)	(176,029)	(188,902)
Balance, end of year	<u>\$ 105,009</u>	<u>\$ 302,249</u>	<u>\$ 407,258</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 2,743</u>	<u>\$ 43,507</u>	<u>\$ 46,250</u>

Fair Value Measurement Discussion (continued)
as at December 31

Fair Value Hierarchy (continued)

	2017		
	Direct Private	Unlisted Private Equity	
(in 000s)	Equity	Investee	
	Investments	Funds	Total
Balance, beginning of year	\$ 125,377	\$ 522,074	\$ 647,451
Total gains or (losses) recognized in profit or loss	7,753	47,065	54,818
Purchases	5,252	14,984	20,236
Sales	(26,354)	(177,960)	(204,314)
Balance, end of year	<u>\$ 112,028</u>	<u>\$ 406,163</u>	<u>\$ 518,191</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (16,164)</u>	<u>\$ (71,376)</u>	<u>\$ (87,540)</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 105,009	Net Asset Value	Net Asset Value	\$ 105,009	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 302,249	Net Asset Value	Net Asset Value	\$ 302,249	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 112,028	Unadjusted Net Asset Value	Net Asset Value	\$ 112,028	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 374,723	Unadjusted Net Asset Value	Net Asset Value	\$ 374,723	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 374,723	Unadjusted Net Asset Value	Adjusted Net Asset Value	\$ 7,823	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

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

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

(ii) Adjusted Net Asset Value:

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

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 40,726	\$ 51,819
Unfavourable	\$ (40,726)	\$ (51,819)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2008 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities is approximately \$426,774,000 (2017 - \$537,528,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 8,573
Unlisted private equity investee funds administered by third party managers	13	\$ 20,274,548	\$ 302,249

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 13,488
Unlisted private equity investee funds administered by third party managers	14	\$ 22,699,971	\$ 406,163

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 378,363	\$ 393,476
Liabilities			
BCI cost recoveries payable	4	744	259
Other accounts payable		11	11
		<u>755</u>	<u>270</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 377,608</u></u>	<u><u>\$ 393,206</u></u>
<i>Number of redeemable units outstanding</i>	5	291.122	393.878
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,297</u></u>	<u><u>\$ 998</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		59,410	168,167
Net change in unrealized appreciation		<u>21,187</u>	<u>(66,645)</u>
Total revenue		<u>80,597</u>	<u>101,523</u>
Expenses:			
BCI cost recoveries	4	903	825
External management fees		-	294
Administrative fees		<u>27</u>	<u>20</u>
Total operating expenses		<u>930</u>	<u>1,139</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>79,667</u>	<u>100,384</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(58,298)</u>	<u>(167,200)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 21,369</u></u>	<u><u>\$ (66,816)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 393,206	\$ 615,628
Increase (decrease) in net assets attributable to holders of redeemable units	21,369	(66,816)
Redeemable unit transactions:		
Proceeds from units issued	989	6,837
Reinvestment of distributions	58,298	167,200
Amounts paid for units redeemed	(96,254)	(329,643)
Net decrease from redeemable unit transactions	(36,967)	(155,606)
Balance, end of year	\$ 377,608	\$ 393,206

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 21,369	\$ (66,816)
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(59,410)	(168,167)
Net change in unrealized appreciation of investments	(21,187)	66,645
Non cash distributions	58,298	167,200
Proceeds from sale of investments	96,670	330,796
Amounts paid for purchase of investments	(960)	(7,071)
BCI cost recoveries payable	485	220
Other accounts payable	-	(1)
Interest received	-	1
	<u>95,265</u>	<u>322,806</u>
Financing activities:		
Proceeds from issuance of redeemable units	989	6,837
Payments on redemption of redeemable units	(96,254)	(329,643)
	<u>(95,265)</u>	<u>(322,806)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 378,358	\$ 108,509	\$ 393,471	\$ 144,809
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 378,363</u>	<u>\$ 108,514</u>	<u>\$ 393,476</u>	<u>\$ 144,814</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2009 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 42,061	11.2 %	\$ 37,965	9.6 %
Unlisted Private Equity Investee Funds	332,663	87.9 %	352,354	89.6 %
Foreign Currency Contracts	-	- %	(1)	- %
BCI Money Market Funds	1,943	0.5 %	1,982	0.5 %
Public Equities	1,691	0.4 %	1,171	0.3 %
	<u>\$ 378,358</u>	<u>100.0 %</u>	<u>\$ 393,471</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets, including foreign currency contracts, denominated in U.S. currency totalling \$378,342,000 CAD which represents 100.2% of the net asset value of the Fund (2017 - \$391,502,000 CAD which represented 99.6% of the net asset value of the Fund).

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$3,783,000 CAD (2017 - \$3,915,000 CAD), 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.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$26,746,000 CAD (2017 - \$29,245,000 CAD). As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$267,000 CAD (2017 - \$292,000 CAD). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Health Care Equipment & Services	\$ 42,061	11.2 %	\$ 37,965	9.7 %
Total Unlisted Private Equity Investee Funds in diversified industries	332,663	88.8 %	352,354	90.3 %
	<u>\$ 374,724</u>	<u>100.0 %</u>	<u>\$ 390,319</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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

Other Price Risk (continued)

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
United States	\$ 42,061	11.2 %	\$ 37,965	9.7 %
Total Unlisted Private Equity Investee Funds diversified globally	332,663	88.8 %	352,354	90.3 %
	<u>\$ 374,724</u>	<u>100.0 %</u>	<u>\$ 390,319</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$37,836,000 (2017 - \$39,348,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Fair Value Hierarchy

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

(in 000s)	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
BCI Money Market Funds	\$ 1,948	\$ -	\$ -	\$ 1,948
Public Equities	1,691	-	-	1,691
Direct Private Equity Investments	-	-	42,061	42,061
Unlisted Private Equity Investee Funds	-	-	332,663	332,663
Total Investments	<u>\$ 3,639</u>	<u>\$ -</u>	<u>\$ 374,724</u>	<u>\$ 378,363</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (Continued)

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Foreign Currency Contracts	\$ -	\$ (1)	\$ -	\$ (1)
BCI Money Market Funds	1,987	-	-	1,987
Public Equities	1,171	-	-	1,171
Direct Private Equity Investments	-	-	37,965	37,965
Unlisted Private Equity Investee Funds	-	-	352,354	352,354
Total Investments	\$ 3,158	\$ (1)	\$ 390,319	\$ 393,476

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

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			
	Direct Private Equity Investments	Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of year	\$ 37,965	\$ 352,354	\$ 390,319	\$ 390,319
Total gains or (losses) recognized in profit or loss	4,235	74,172	78,407	78,407
Purchases	-	1,135	1,135	1,135
Sales	(139)	(94,998)	(95,137)	(95,137)
Balance, end of year	\$ 42,061	\$ 332,663	\$ 374,724	\$ 374,724
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 4,221	\$ 58,928	\$ 63,149	\$ 63,149

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

Fair Value Hierarchy (Continued)

	2017		
	Direct Private Equity Investments	Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 66,681	\$ 546,205	\$ 612,886
Total gains or (losses) recognized in profit or loss	14,911	98,554	113,465
Purchases	-	12,129	12,129
Sales	(43,627)	(304,534)	(348,161)
Balance, end of year	\$ 37,965	\$ 352,354	\$ 390,319
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (15,139)	\$ (54,836)	\$ (69,975)

During 2018 and 2017, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 42,061	Net Asset Value	Net Asset Value	\$ -	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 332,663	Net Asset Value	Net Asset Value	\$ -	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 37,965	Unadjusted Net Asset Value	Net Asset Value	\$ 37,965	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 352,354	Unadjusted Net Asset Value	Net Asset Value	\$ 352,354	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (Continued)

Significant unobservable inputs are developed as follows:

- (i) Net Asset Value:
Represents the net asset value of direct private equity investments and unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners.
- The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as Level 3 within the fair value hierarchy.

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

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

Effects of Unobservable Inputs on Fair Value Measurement (continued)

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

(in 000s)	2018	2017
Favourable	\$ 37,472	\$ 39,032
Unfavourable	\$ (37,472)	\$ (39,032)

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$378,358,000 (2017 - \$393,471,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 1,948
Unlisted private equity investee funds administered by third party managers	7	\$ 13,963,471	\$ 332,663

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2009 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 1,987
Unlisted private equity investee funds administered by third party managers	8	\$ 10,362,272	\$ 352,354

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 302,739	\$ 296,887
Liabilities			
BCI cost recoveries payable	4	284	271
Other accounts payable		11	11
		<u>295</u>	<u>282</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 302,444</u></u>	<u><u>\$ 296,605</u></u>
<i>Number of redeemable units outstanding</i>	5	234.579	284.836
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,289</u></u>	<u><u>\$ 1,041</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Change in fair value of investments:			
Net realized gain		\$ 30,087	\$ 80,098
Net change in unrealized appreciation		29,253	(24,076)
Total revenue		<u>59,340</u>	<u>56,022</u>
Expenses:			
BCI cost recoveries	4	383	720
Administrative fees		26	19
Total operating expenses		<u>409</u>	<u>739</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>58,931</u>	<u>55,283</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(29,467)</u>	<u>(79,557)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 29,464</u></u>	<u><u>\$ (24,274)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 296,605	\$ 425,196
Increase (decrease) in net assets attributable to holders of redeemable units	29,464	(24,274)
Redeemable unit transactions:		
Proceeds from units issued	3,169	9,562
Reinvestment of distributions	29,467	79,557
Amounts paid for units redeemed	(56,261)	(193,436)
Net decrease from redeemable unit transactions	(23,625)	(104,317)
Balance, end of year	\$ 302,444	\$ 296,605

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 29,464	\$ (24,274)
Adjustments for:		
Net realized gain from investments	(30,087)	(80,098)
Net change in unrealized appreciation of investments	(29,253)	24,076
Non cash distributions	29,467	79,557
Proceeds from sale of investments	56,629	197,582
Amounts paid for purchase of investments	(3,141)	(13,210)
BCI cost recoveries payable	13	242
Other accounts payable	-	(1)
	<u>53,092</u>	<u>183,874</u>
Financing activities:		
Proceeds from issuance of redeemable units	3,169	9,562
Payments on redemption of redeemable units	(56,261)	(193,436)
	<u>(53,092)</u>	<u>(183,874)</u>
Cash, beginning and end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 302,734	\$ 134,676	\$ 296,882	\$ 158,077
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 302,739</u>	<u>\$ 134,681</u>	<u>\$ 296,887</u>	<u>\$ 158,082</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2010 Private Placement Fund.

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

(in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 296,714	98.0 %	\$ 292,659	98.5 %
Foreign Currency Contracts	-	- %	2	- %
BCI Money Market Funds	6,020	2.0 %	1,930	0.7 %
Net Investment-Related Receivables	-	- %	2,291	0.8 %
	<u>\$ 302,734</u>	<u>100.0 %</u>	<u>\$ 296,882</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related		Net Investments and Investment- Related	
	Receivables	% of Total Net Assets	Receivables	% of Total Net Assets
Euro	\$ 53,944	17.8 %	\$ 69,911	23.6 %
United States Dollar	240,637	79.6 %	205,965	69.4 %
Net Exposure	<u>\$ 294,581</u>	<u>97.4 %</u>	<u>\$ 275,876</u>	<u>93.0 %</u>

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$2,946,000 CAD (2017 - \$2,759,000 CAD), representing 1.0% of the Fund's net assets (2017 - 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Currency Risk (continued)

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 20,544	\$ 19,797
United States Dollar	18,799	27,047
	<u>\$ 39,343</u>	<u>\$ 46,844</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$393,000 CAD (2017 - \$468,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

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

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$30,274,000 (2017 - \$29,689,000) or 10.0% (2017 – 10.0%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Fair Value Hierarchy

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

		2018			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
BCI Money Market Funds		\$ 6,025	\$ -	\$ -	\$ 6,025
Unlisted Private Equity Investee Funds		-	-	296,714	296,714
Total Investments		\$ 6,025	\$ -	\$ 296,714	\$ 302,739

		2017			
		Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)					
Net Investment-Related Receivables		\$ -	\$ 2,291	\$ -	\$ 2,291
BCI Money Market Funds		1,935	-	-	1,935
Foreign Currency Contracts		-	2	-	2
Unlisted Private Equity Investee Funds		-	-	292,659	292,659
Total Investments		\$ 1,935	\$ 2,293	\$ 292,659	\$ 296,887

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

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

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)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 292,659
Total gains or (losses) recognized in profit or loss	57,914
Purchases	12,278
Sales	(66,137)
Balance, end of year	<u>\$ 296,714</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 49,410</u>
	2017
(in 000s)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 424,890
Total gains or (losses) recognized in profit or loss	52,227
Purchases	27,910
Sales	(212,368)
Balance, end of year	<u>\$ 292,659</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (32,766)</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 296,714	Net Asset Value	Net Asset Value	\$ 296,714	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 292,659	Unadjusted Net Asset Value	Net Asset Value	\$ 292,659	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

Significant unobservable inputs are developed as follows:

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

(in 000s)	2018	2017
Favourable	\$ 29,671	\$ 29,266
Unfavourable	\$ (29,671)	\$ (29,266)

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$302,734,000 (2017 - \$296,882,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 6,025
Unlisted private equity investee funds administered by third party managers	7	\$ 8,593,166	\$ 296,714

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2010 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)				
as at December 31				
Entity	December 31, 2017			
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)	
Investee money market funds administered by BCI	2	\$ 1,132,807	\$	1,935
Unlisted private equity investee funds administered by third party managers	8	\$ 7,882,823	\$	292,659

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 471,945	\$ 591,057
Liabilities			
BCI cost recoveries payable	4	368	372
Other accounts payable		11	11
		<u>379</u>	<u>383</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 471,566</u></u>	<u><u>\$ 590,674</u></u>
<i>Number of redeemable units outstanding</i>	5	276.406	410.672
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,706</u></u>	<u><u>\$ 1,438</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		103,477	106,143
Net change in unrealized appreciation		(22,797)	50,394
Total revenue		<u>80,680</u>	<u>156,538</u>
Expenses:			
BCI cost recoveries	4	683	1,176
Administrative fees		27	19
Total operating expenses		<u>710</u>	<u>1,195</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>79,970</u>	<u>155,343</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(102,502)</u>	<u>(105,202)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (22,532)</u></u>	<u><u>\$ 50,141</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 590,674	\$ 728,496
Increase (decrease) in net assets attributable to holders of redeemable units	(22,532)	50,141
Redeemable unit transactions:		
Proceeds from units issued	12,297	23,598
Reinvestment of distributions	102,502	105,202
Amounts paid for units redeemed	(211,375)	(316,763)
Net decrease from redeemable unit transactions	(96,576)	(187,963)
Balance, end of year	\$ 471,566	\$ 590,674

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (22,532)	\$ 50,141
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(103,477)	(106,143)
Net change in unrealized appreciation of investments	22,797	(50,394)
Non cash distributions	102,502	105,202
Proceeds from sale of investments	212,040	322,203
Amounts paid for purchase of investments	(12,248)	(28,168)
BCI cost recoveries payable	(4)	325
Other accounts payable	-	(1)
Interest received	-	1
	<u>199,078</u>	<u>293,165</u>
Financing activities:		
Proceeds from issuance of redeemable units	12,297	23,598
Payments on redemption of redeemable units	(211,375)	(316,763)
	<u>(199,078)</u>	<u>(293,165)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 471,940	\$ 222,661	\$ 591,052	\$ 318,976
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 471,945</u>	<u>\$ 222,666</u>	<u>\$ 591,057</u>	<u>\$ 318,981</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2011 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 2,521	0.5 %	\$ 4,115	0.7 %
Unlisted Private Equity Investee Funds	469,171	99.4 %	585,735	99.1 %
BCI Money Market Funds	248	0.1 %	176	- %
Net Investment-Related Receivables	-	- %	1,026	0.2 %
	<u>\$ 471,940</u>	<u>100.0 %</u>	<u>\$ 591,052</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Australian Dollar	\$ -	- %	\$ 28,969	4.9 %
Euro	131,029	27.8 %	216,419	36.6 %
United States Dollar	295,208	62.6 %	267,383	45.3 %
Net Exposure	<u>\$ 426,237</u>	<u>90.4 %</u>	<u>\$ 512,771</u>	<u>86.8 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$4,262,000 CAD (2017 - \$5,128,000 CAD), representing 0.9% of the Fund's net assets (2017 - 0.9%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (CAD 000s)	2018	2017
Australian Dollar	\$ -	\$ 3,485
Euro	19,173	22,151
United States Dollar	26,578	37,953
	<u>\$ 45,751</u>	<u>\$ 63,589</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$458,000 CAD (2017 - \$636,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Energy	\$ 2,521	0.5 %	\$ 4,115	0.7 %
Total Unlisted Private Equity Investee Funds in diversified industries	469,171	99.5 %	585,735	99.3 %
	<u>\$ 471,692</u>	<u>100.0 %</u>	<u>\$ 589,850</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

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

Other Price Risk (continued)

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

As at December 31, had the fair value of the investments 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 \$47,195,000 (2017 - \$59,106,000) or 10.0% (2017 – 10.0%) of net assets attributable to holders of redeemable units.

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

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 253	\$ -	\$ -	\$ 253
Direct Private Equity Investments	-	-	2,521	2,521
Unlisted Private Equity Investee Funds	-	-	469,171	469,171
Total Investments	\$ 253	\$ -	\$ 471,692	\$ 471,945

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Receivables	\$ -	\$ 1,026	\$ -	\$ 1,026
BCI Money Market Funds	181	-	-	181
Direct Private Equity Investments	-	-	4,115	4,115
Unlisted Private Equity Investee Funds	-	-	585,735	585,735
Total Investments	\$ 181	\$ 1,026	\$ 589,850	\$ 591,057

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

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

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 4,115	\$ 585,735	\$ 589,850
Total gains or (losses) recognized in profit or loss	(1,594)	64,310	62,716
Purchases	-	20,898	20,898
Sales	-	(201,772)	(201,772)
Balance, end of year	\$ 2,521	\$ 469,171	\$ 471,692
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ (1,594)	\$ 44,217	\$ 42,623

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

Fair Value Hierarchy (continued)

	2017		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 5,939	\$ 720,731	\$ 726,670
Total gains or (losses) recognized in profit or loss	921	119,319	120,240
Purchases	-	52,652	52,652
Sales	(2,745)	(306,967)	(309,712)
Balance, end of year	\$ 4,115	\$ 585,735	\$ 589,850
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 1,956	\$ 6,212	\$ 8,168

During 2018 and 2017, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 2,521	Market Approach	Revenue multiple	0.97x	0.97x	The estimated fair value would increase (decrease) if the Revenue multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 433,619	Net Asset Value	Net Asset Value	\$ 433,619	N/A	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 35,552	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 35,552	N/A	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 4,115	Market Approach	EV/EBITDA	\$ 4,115	The estimated fair value would increase (decrease) if the EV/EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 585,735	Unadjusted Net Asset Value	Net Asset Value	\$ 585,735	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

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

(ii) Net Asset Value:

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

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

(iii) Adjusted Net Asset Value:

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

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 47,169	\$ 58,985
Unfavourable	\$ (47,169)	\$ (58,985)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2011 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities is approximately \$471,940,000 (2017 - \$591,052,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 253
Unlisted private equity investee funds administered by third party managers	10	\$ 13,633,778	\$ 469,171

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 181
Unlisted private equity investee funds administered by third party managers	11	\$ 15,908,709	\$ 585,735

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 515,715	\$ 770,808
Liabilities			
BCI cost recoveries payable	4	599	540
Other accounts payable		11	11
		<u>610</u>	<u>551</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 515,105</u></u>	<u><u>\$ 770,257</u></u>
<i>Number of redeemable units outstanding</i>	5	1,659.821	2,670.569
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 310</u></u>	<u><u>\$ 288</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		135,266	79,108
Net change in unrealized appreciation		(69,696)	71,920
Total revenue		<u>65,570</u>	<u>151,029</u>
Expenses:			
BCI cost recoveries	4	748	1,212
Administrative fees		27	20
Total operating expenses		<u>775</u>	<u>1,232</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>64,795</u>	<u>149,797</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(134,041)</u>	<u>(78,313)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (69,246)</u></u>	<u><u>\$ 71,484</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 770,257	\$ 728,545
Increase (decrease) in net assets attributable to holders of redeemable units	(69,246)	71,484
Redeemable unit transactions:		
Proceeds from units issued	24,189	101,507
Reinvestment of distributions	134,041	78,313
Amounts paid for units redeemed	(344,136)	(209,592)
Net decrease from redeemable unit transactions	(185,906)	(29,772)
Balance, end of year	\$ 515,105	\$ 770,257

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (69,246)	\$ 71,484
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(135,266)	(79,108)
Net change in unrealized appreciation of investments	69,696	(71,920)
Non cash distributions	134,041	78,313
Proceeds from sale of investments	344,795	210,514
Amounts paid for purchase of investments	(24,132)	(101,697)
BCI cost recoveries payable	59	500
Other accounts payable	-	(1)
Interest received	-	1
	<u>319,947</u>	<u>108,085</u>
Financing activities:		
Proceeds from issuance of redeemable units	24,189	101,507
Payments on redemption of redeemable units	(344,136)	(209,592)
	<u>(319,947)</u>	<u>(108,085)</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 515,710	\$ 261,356	\$ 770,803	\$ 446,753
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 515,715</u>	<u>\$ 261,361</u>	<u>\$ 770,808</u>	<u>\$ 446,758</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2012 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Unlisted Private Equity Investee Funds	\$ 515,663	100.0 %	\$ 768,682	99.7 %
BCI Money Market Funds	47	- %	2,121	0.3 %
	<u>\$ 515,710</u>	<u>100.0 %</u>	<u>\$ 770,803</u>	<u>100.0 %</u>

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

Credit Risk

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

Liquidity Risk

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

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 246,440	47.8 %	\$ 298,957	38.8 %
United States Dollar	249,406	48.4 %	439,399	57.0 %
Net Exposure	<u>\$ 495,846</u>	<u>96.3 %</u>	<u>\$ 738,356</u>	<u>95.9 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$4,958,000 CAD (2017 - \$7,384,000 CAD), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 17,853	\$ 20,154
United States Dollar	69,337	133,931
	<u>\$ 87,190</u>	<u>\$ 154,085</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$872,000 CAD (2017 - \$1,541,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

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

As at December 31, had the fair value of the investments 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 \$51,572,000 (2017 - \$77,081,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 52	\$ -	\$ -	\$ 52
Unlisted Private Equity Investee Funds	-	-	515,663	515,663
Total Investments	\$ 52	\$ -	\$ 515,663	\$ 515,715

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 2,126	\$ -	\$ -	\$ 2,126
Unlisted Private Equity Investee Funds	-	-	768,682	768,682
Total Investments	\$ 2,126	\$ -	\$ 768,682	\$ 770,808

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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)	Unlisted Private Equity Investee Funds
Balance, beginning of year	\$ 768,682
Total gains or (losses) recognized in profit or loss	66,252
Purchases	35,794
Sales	(355,065)
Balance, end of year	\$ 515,663
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 29,433

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

	2017		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 54,030	\$ 669,338	\$ 723,368
Total gains or (losses) recognized in profit or loss	41,017	112,089	153,106
Purchases	-	116,161	116,161
Sales	(95,047)	(128,906)	(223,953)
Balance, end of year	<u>\$ -</u>	<u>\$ 768,682</u>	<u>\$ 768,682</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (28,726)</u>	<u>\$ 41,886</u>	<u>\$ 13,160</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018			
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range
Unlisted Private Equity Investee Funds	\$ 515,663	Net Asset Value	Net Asset Value	\$ 515,663
				The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

	2017			
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range
Unlisted Private Equity Investee Funds	\$ 768,682	Unadjusted Net Asset Value	Net Asset Value	\$ 768,682
				The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

(i) Net Asset Value:

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

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

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

(in 000s)	2018	2017
Favourable	\$ 51,566	\$ 76,868
Unfavourable	\$ (51,566)	\$ (76,868)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2012 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities is approximately \$515,710,000 (2017 - \$770,803,000) is in the Schedule of Investments.

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

Entity	December 31, 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	\$ 2,521,901	\$ 52
Unlisted private equity investee funds administered by third party managers	8	\$ 8,473,264	\$ 515,663

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 2,126
Unlisted private equity investee funds administered by third party managers	9	\$ 12,223,018	\$ 768,682

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 995,495	\$ 1,202,925
Liabilities			
BCI cost recoveries payable	4	406	396
Other accounts payable		11	11
		<u>417</u>	<u>407</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 995,078</u></u>	<u><u>\$ 1,202,518</u></u>
<i>Number of redeemable units outstanding</i>	5	277.245	355.050
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,589</u></u>	<u><u>\$ 3,387</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		170,766	82,397
Net change in unrealized appreciation		<u>(118,269)</u>	<u>216,937</u>
Total revenue		<u>52,497</u>	<u>299,335</u>
Expenses:			
BCI cost recoveries	4	876	1,241
Administrative fees		31	20
Pursuit costs		<u>46</u>	<u>-</u>
Total operating expenses		<u>953</u>	<u>1,261</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>51,544</u>	<u>298,074</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(169,527)</u>	<u>(81,411)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ (117,983)</u></u>	<u><u>\$ 216,663</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 1,202,518	\$ 904,267
Increase (decrease) in net assets attributable to holders of redeemable units	(117,983)	216,663
Redeemable unit transactions:		
Proceeds from units issued	98,701	216,561
Reinvestment of distributions	169,527	81,411
Amounts paid for units redeemed	(357,685)	(216,384)
Net increase (decrease) from redeemable unit transactions	(89,457)	81,588
Balance, end of year	\$ 995,078	\$ 1,202,518

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (117,983)	\$ 216,663
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(170,766)	(82,397)
Net change in unrealized appreciation of investments	118,269	(216,937)
Non cash distributions	169,527	81,411
Proceeds from sale of investments	358,517	236,784
Amounts paid for purchase of investments	(98,590)	(236,050)
BCI cost recoveries payable	10	350
Other accounts payable	-	(1)
Interest received	-	1
	<u>258,984</u>	<u>(177)</u>
Financing activities:		
Proceeds from issuance of redeemable units	98,701	216,561
Payments on redemption of redeemable units	(357,685)	(216,384)
	<u>(258,984)</u>	<u>177</u>
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 995,490	\$ 511,036	\$ 1,202,920	\$ 600,197
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u><u>\$ 995,495</u></u>	<u><u>\$ 511,041</u></u>	<u><u>\$ 1,202,925</u></u>	<u><u>\$ 600,202</u></u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2013 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 105,436	10.6 %	\$ 192,249	15.9 %
Direct Private Debt Investments	6,048	0.6 %	6,365	0.5 %
Unlisted Private Equity Investee Funds	758,621	76.2 %	735,725	61.2 %
Public Equity	88,158	8.9 %	246,487	20.5 %
BCI Money Market Funds	19,882	2.0 %	19,982	1.7 %
Cash	14,202	1.4 %	952	0.1 %
Net Investment-Related Receivables	3,143	0.3 %	1,160	0.1 %
	<u>\$ 995,490</u>	<u>100.0 %</u>	<u>\$ 1,202,920</u>	<u>100.0 %</u>

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

Credit Risk

The majority of the private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The Fund's debt investments are not subject to credit risk as any decrease in fair value would result in an offsetting change in value of the related equity investment.

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

Liquidity Risk

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

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

Interest Rate Risk

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2018 and 2017, the Fund had no other assets or liabilities which change in value as a result of changes in the interest rates.

Currency Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related		Net Investments and Investment- Related	
	Receivables	% of Total Net Assets	Receivables	% of Total Net Assets
Australian Dollar	\$ 35,160	3.5 %	\$ 42,604	3.5 %
Euro	249,269	25.1 %	242,983	20.2 %
United States Dollar	695,329	69.9 %	904,477	75.2 %
Net Exposure	<u>\$ 979,758</u>	<u>98.5 %</u>	<u>\$ 1,190,064</u>	<u>99.0 %</u>

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$9,798,000 CAD (2017 - \$11,901,000 CAD), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Currency Risk (continued)

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 28,628	\$ 68,849
United States Dollar	110,806	152,151
	<u>\$ 139,434</u>	<u>\$ 221,000</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1,394,000 CAD (2017 - \$2,210,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

Other Price Risk

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

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

Other Price Risk (continued)

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Commercial & Professional Services	\$ -	- %	\$ 57,601	4.9 %
Consumer Services	51,799	5.4 %	75,427	6.4 %
Food and Beverage	35,160	3.7 %	42,604	3.6 %
Telecommunication Services	14,751	1.5 %	14,290	1.2 %
Transportation	9,774	1.0 %	8,692	0.7 %
Total Direct Private Equity and Debt Investments	111,484	11.6 %	198,614	16.8 %
Total Public Equity:				
Industrial	88,158	9.2 %	246,487	20.9 %
Total Unlisted Private Equity Investee Funds in diversified industries	758,621	79.2 %	735,725	62.3 %
	<u>\$ 958,263</u>	<u>100.0 %</u>	<u>\$ 1,180,826</u>	<u>100.0 %</u>

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

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

Other Price Risk (continued)

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Canada	\$ 9,774	1.0 %	\$ 8,692	0.7 %
Europe	-	- %	57,601	4.9 %
United States	66,550	6.9 %	89,717	7.6 %
Australia	35,160	3.6 %	42,604	3.6 %
Total Direct Private Equity and Debt Investments	111,484	11.5 %	198,614	16.8 %
Total Public Equity diversified globally	88,158	9.2 %	246,487	20.9 %
Total Unlisted Private Equity Investee Funds diversified globally	758,621	79.2 %	735,725	62.3 %
	<u>\$ 958,263</u>	<u>99.9 %</u>	<u>\$ 1,180,826</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$99,549,000 (2017 - \$120,293,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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2013 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy

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

(in 000s)	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and Cash Equivalents	\$ 14,202	\$ -	\$ -	\$ 14,202
Net Investment-Related Receivables	-	3,143	-	3,143
BCI Money Market Funds	19,887	-	-	19,887
Direct Private Equity Investments	-	-	105,436	105,436
Direct Private Debt Investments	-	-	6,048	6,048
Public Equity	88,158	-	-	88,158
Unlisted Private Equity Investee Funds	-	-	758,621	758,621
Total Investments	\$ 122,247	\$ 3,143	\$ 870,105	\$ 995,495

(in 000s)	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and Cash Equivalents	\$ -	\$ 952	\$ -	\$ 952
Net Investment-Related Receivables	-	1,160	-	1,160
Restricted Public Equity	-	246,487	-	246,487
BCI Money Market Funds	19,987	-	-	19,987
Direct Private Equity Investments	-	-	192,249	192,249
Direct Private Debt Investments	-	-	6,365	6,365
Unlisted Private Equity Investee Funds	-	-	735,725	735,725
Total Investments	\$ 19,987	\$ 248,599	\$ 934,339	\$ 1,202,925

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

Fair Value Hierarchy (continued)

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

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

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

(in 000s)	2018			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Balance, beginning of year	\$ 192,249	\$ 6,365	\$ 735,725	\$ 934,339
Total gains or (losses) recognized in profit or loss	(14,474)	(410)	151,014	136,130
Purchases	541	93	110,163	110,797
Sales	(72,880)	-	(238,281)	(311,161)
Balance, end of year	\$ 105,436	\$ 6,048	\$ 758,621	\$ 870,105

Total unrealized gains or (losses)
for the year included in profit or
loss relating to financial assets
and liabilities held at the
reporting date

\$ (17,599)	\$ (411)	\$ 115,400	\$ 97,390
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See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

	2017			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of period	\$ 307,759	\$ 7,721	\$ 588,096	\$ 903,576
Total gains or (losses) recognized in profit or loss	(56,537)	(4,061)	97,516	36,918
Purchases	135	2,705	251,309	254,149
Sales	(59,108)	-	(201,196)	(260,304)
Balance, end of period	<u>\$ 192,249</u>	<u>\$ 6,365</u>	<u>\$ 735,725</u>	<u>\$ 934,339</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (64,806)</u>	<u>\$ (4,061)</u>	<u>\$ 23,347</u>	<u>\$ (45,520)</u>

During 2018, one investment transferred out of Level 2 to Level 1 at a fair value of \$88,158,000 due to the expiry of the restriction. In 2017, one investment transferred out of Level 3 to Level 2 at a fair value of \$246,500,00 due to the company undergoing an IPO, and BCI's existing shares transferring to restricted public equity with a lock-up discount. Given this restriction, BCI has classified this as Level 2.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Debt Investments	\$ 6,048	Net Asset Value	Net Asset Value	\$ 6,048	The estimated fair value would increase (decrease) if the net asset value of direct private debt investments was higher (lower).
Direct Private Equity Investments	\$ 105,436	Net Asset Value	Net Asset Value	\$ 105,436	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Fund	\$ 758,621	Net Asset Value	Net Asset Value	\$ 758,621	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

2017					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Debt Investment	\$ 6,365	Market approach	EV / EBITDA	\$ 6,365	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 16,617	Market approach	EV / EBITDA	\$ 16,617	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 57,601	Adjusted Net Asset Value	Net Asset Value	\$ 16,552	The estimated fair value would increase (decrease) if:
			Adjusted Net Asset Value	\$ 41,049	- The net asset value of direct private equity investments was higher (lower). - The fair value adjustment was lower (higher).
Direct Private Equity Investments	\$ 118,031	Unadjusted Net Asset Value	Net Asset Value	\$ 118,031	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Fund	\$ 735,725	Unadjusted Net Asset Value	Net Asset Value	\$ 735,725	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as Level 3 within the fair value hierarchy.
- (ii) Enterprise Value ("EV") and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arm's length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies and transactions in private 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.
- (iii) Adjusted Net Asset Value:
Represents total adjustments applied to the net asset value of the investee funds. BCI management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2013 PRIVATE PLACEMENT FUND

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 87,010	\$ 118,083
Unfavourable	\$ (87,010)	\$ (118,083)

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$995,490,000 (2017 - \$1,202,920,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 19,887
Unlisted private equity investee funds administered by third party managers	7	\$ 43,466,657	\$ 758,621

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 19,996
Unlisted private equity investee funds administered by third party managers	8	\$ 37,448,646	\$ 735,725

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 1,235,407	\$ 928,965
Liabilities			
BCI cost recoveries payable	4	444	409
Other accounts payable		11	11
		<u>455</u>	<u>420</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,234,952</u></u>	<u><u>\$ 928,545</u></u>
<i>Number of redeemable units outstanding</i>	5	20.878	17.361
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 59,151</u></u>	<u><u>\$ 53,485</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 1
Change in fair value of investments:			
Net realized gain		15,119	4,095
Net change in unrealized appreciation		<u>114,187</u>	<u>118,257</u>
Total revenue		<u>129,306</u>	<u>122,353</u>
Expenses:			
BCI cost recoveries	4	977	1,166
Administrative fees		27	19
Total operating expenses		<u>1,004</u>	<u>1,185</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>128,302</u>	<u>121,168</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(13,396)</u>	<u>-</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 114,906</u></u>	<u><u>\$ 121,168</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 928,545	\$ 572,568
Increase in net assets attributable to holders of redeemable units	114,906	121,168
Redeemable unit transactions:		
Proceeds from units issued	246,875	266,539
Reinvestment of distributions	13,396	-
Amounts paid for units redeemed	(68,770)	(31,730)
Net increase from redeemable unit transactions	191,501	234,809
Balance, end of year	\$ 1,234,952	\$ 928,545

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	\$ 114,906	\$ 121,168
Adjustments for:		
Interest income	-	(1)
Net realized gain from investments	(15,119)	(4,095)
Net change in unrealized appreciation of investments	(114,187)	(118,257)
Non cash distributions	13,396	-
Proceeds from sale of investments	69,656	38,855
Amounts paid for purchase of investments	(246,792)	(272,849)
BCI cost recoveries payable	35	370
Other accounts payable	-	(1)
Interest received	-	1
	(178,105)	(234,809)
Financing activities:		
Proceeds from issuance of redeemable units	246,875	266,539
Payments on redemption of redeemable units	(68,770)	(31,730)
	178,105	234,809
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 1,235,402	\$ 891,444	\$ 928,960	\$ 699,189
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u><u>\$ 1,235,407</u></u>	<u><u>\$ 891,449</u></u>	<u><u>\$ 928,965</u></u>	<u><u>\$ 699,194</u></u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2014 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 186,245	15.1 %	\$ 255,948	27.5 %
Unlisted Private Equity Investee Funds	1,041,267	84.3 %	672,373	72.4 %
Foreign Currency Contracts	-	- %	(1)	- %
BCI Money Market Funds	7,890	0.6 %	640	0.1 %
	<u>\$ 1,235,402</u>	<u>100.0 %</u>	<u>\$ 928,960</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments	% of Total Net Assets	Net Investments	% of Total Net Assets
Euro	\$ 201,237	16.3 %	\$ 126,942	13.7 %
United States Dollar	975,538	79.0 %	768,673	82.8 %
Net Exposure	<u>\$ 1,176,775</u>	<u>95.3 %</u>	<u>\$ 895,615</u>	<u>96.5 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$11,768,000 CAD (2017 - \$8,956,000 CAD), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 13,601	\$ 58,538
United States Dollar	236,148	374,155
	<u>\$ 249,749</u>	<u>\$ 432,693</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$2,497,000 CAD (2017 - \$4,327,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Industrials	\$ 60,202	4.9 %	\$ 44,530	4.8 %
Consumer Durables & Apparel	34,116	2.8 %	29,558	3.2 %
Health Care	82,287	6.7 %	167,016	18.0 %
Telecommunication Services	9,640	0.8 %	14,844	1.6 %
Total Direct Private Equity Investments	186,245	15.2 %	255,948	27.6 %
Total Unlisted Private Equity Investee Funds in diversified industries	1,041,267	84.8 %	672,373	72.4 %
	<u>\$ 1,227,512</u>	<u>100.0 %</u>	<u>\$ 928,321</u>	<u>100.0%</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

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

Other Price Risk (continued)

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

GEOGRAPHIC REGION
(in 000s)

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 60,202	4.9 %	\$ 44,530	4.8 %
Asia	47,726	3.9 %	46,236	5.0 %
Middle East	68,677	5.6 %	150,338	16.2 %
South America	9,640	0.8 %	14,844	1.6 %
Total Direct Private Equity Investments	186,245	15.2 %	255,948	27.6 %
Total Unlisted Private Equity Investee Funds diversified globally	1,041,267	84.8 %	672,373	72.4 %
	<u>\$ 1,227,512</u>	<u>100.0 %</u>	<u>\$ 928,321</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$123,541,000 (2017 - \$92,897,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units.

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

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 7,895	\$ -	\$ -	\$ 7,895
Direct Private Equity Investments	-	-	186,245	186,245
Unlisted Private Equity Investee Funds	-	-	1,041,267	1,041,267
Total Investments	<u>\$ 7,895</u>	<u>\$ -</u>	<u>\$ 1,227,512</u>	<u>\$ 1,235,407</u>

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Foreign Exchange Contracts	\$ -	\$ (1)	\$ -	\$ (1)
BCI Money Market Funds	645	-	-	645
Direct Private Equity Investments	-	-	255,948	255,948
Unlisted Private Equity Investee Funds	-	-	672,373	672,373
Total Investments	<u>\$ 645</u>	<u>\$ (1)</u>	<u>\$ 928,321</u>	<u>\$ 928,965</u>

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

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

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			
	Direct Private	Private Equity	Unlisted	
(in 000s)	Investments	Equity	Investee	Total
		Funds		
Balance, beginning of year	\$ 255,948	\$ 672,373		\$ 928,321
Total gains or (losses) recognized in profit or loss	(52,363)	178,479		126,116
Purchases	81	273,396		273,477
Sales	(17,421)	(82,981)		(100,402)
Balance, end of year	<u>\$ 186,245</u>	<u>\$ 1,041,267</u>		<u>\$ 1,227,512</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (29,280)</u>	<u>\$ 160,416</u>		<u>\$ 131,136</u>

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

Fair Value Hierarchy (continued)

	2017		
	Direct Private	Private Equity	Unlisted
(in 000s)	Investments	Equity	Investee
		Funds	Total
Balance, beginning of year	\$ 217,016	\$ 353,175	\$ 570,191
Total gains or (losses) recognized in profit or loss	34,848	77,929	112,777
Purchases	4,084	310,957	315,041
Sales	-	(69,688)	(69,688)
Balance, end of year	<u>\$ 255,948</u>	<u>\$ 672,373</u>	<u>\$ 928,321</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 34,848</u>	<u>\$ 59,525</u>	<u>\$ 94,373</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 94,763	Market approach	EBITDA multiple	7.2x - 12.4x	9.8x	The estimated fair value would increase (decrease) if the EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 91,482	Net Asset Vaue	Net Asset Value	\$ 91,482	N/A	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 900,232	Net Asset Value	Net Asset Value	\$ 900,232	N/A	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 141,035	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 141,035	N/A	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 44,530	Market approach	EV / EBITDA	\$ 44,530	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 211,418	Unadjusted Net Asset Value	Net Asset Value	\$ 211,418	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 589,962	Unadjusted Net Asset Value	Net Asset Value	\$ 589,962	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Funds	\$ 82,411	Adjusted Net Asset Value	Net Asset Value Adjusted Net Asset Value	\$ 69,315 \$ 13,096	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as Level 3 within the fair value hierarchy.
- (iii) Adjusted Net Asset Value:
Represents total adjustments applied to the net asset value of the investee funds. BCI management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 122,751	\$ 92,832
Unfavourable	\$ (122,751)	\$ (92,832)

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$1,235,402,000 (2017 - \$928,960,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 7,895
Unlisted private equity investee funds administered by third party managers	11	\$ 29,792,317	\$ 1,041,267

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2014 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)
as at December 31

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 645
Unlisted private equity investee funds administered by third party managers	11	\$ 18,316,597	\$ 672,373

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		<u>\$ 1,512,117</u>	<u>\$ 1,057,652</u>
Liabilities			
BCI cost recoveries payable	4	633	600
Other accounts payable		<u>11</u>	<u>11</u>
		<u>644</u>	<u>611</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 1,511,473</u></u>	<u><u>\$ 1,057,041</u></u>
<i>Number of redeemable units outstanding</i>	5	959.420	804.916
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,575</u></u>	<u><u>\$ 1,313</u></u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 2
Change in fair value of investments:			
Net realized gain		26,693	9,057
Net change in unrealized appreciation		<u>223,013</u>	<u>133,527</u>
Total revenue		<u>249,706</u>	<u>142,586</u>
Expenses:			
BCI cost recoveries	4	1,088	1,141
Administrative fees		<u>28</u>	<u>19</u>
Total operating expenses		<u>1,116</u>	<u>1,160</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>248,590</u>	<u>141,426</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(25,093)</u>	<u>(8,371)</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 223,497</u></u>	<u><u>\$ 133,055</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

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

	Year Ended December 31, 2018	Year Ended December 31, 2017
Balance, beginning of year	\$ 1,057,041	\$ 721,220
Increase in net assets attributable to holders of redeemable units	223,497	133,055
Redeemable unit transactions:		
Proceeds from units issued	279,289	235,158
Reinvestment of distributions	25,093	8,371
Amounts paid for units redeemed	(73,447)	(40,763)
Net increase from redeemable unit transactions	230,935	202,766
Balance, end of year	\$ 1,511,473	\$ 1,057,041

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	\$ 223,497	\$ 133,055
Adjustments for:		
Interest income	-	(2)
Net realized gain from investments	(26,693)	(9,057)
Net change in unrealized appreciation of investments	(223,013)	(133,527)
Non cash distributions	25,093	8,371
Proceeds from sale of investments	96,753	41,907
Amounts paid for purchase of investments	(301,512)	(235,700)
BCI cost recoveries payable	33	557
Other accounts payable	-	(1)
Interest received	-	2
	(205,842)	(194,395)
Financing activities:		
Proceeds from issuance of redeemable units	279,289	235,158
Payments on redemption of redeemable units	(73,447)	(40,763)
	205,842	194,395
Cash, beginning and end of year	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 1,512,112	\$ 971,483	\$ 1,057,647	\$ 740,031
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u><u>\$ 1,512,117</u></u>	<u><u>\$ 971,488</u></u>	<u><u>\$ 1,057,652</u></u>	<u><u>\$ 740,036</u></u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2015 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 430,184	28.5 %	\$ 336,289	31.8 %
Unlisted Private Equity Investee Funds	1,079,161	71.4 %	712,910	67.4 %
BCI Money Market Funds	641	- %	1,393	0.1 %
Cash	2,126	0.1 %	7,055	0.7 %
	<u>\$ 1,512,112</u>	<u>100.0 %</u>	<u>\$ 1,057,647</u>	<u>100.0 %</u>

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

Credit Risk

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 297,506	19.7 %	\$ 237,371	22.5 %
United States Dollar	1,173,945	77.7 %	782,231	74.0 %
Net Exposure	<u>\$ 1,471,451</u>	<u>97.4 %</u>	<u>\$ 1,019,602</u>	<u>96.5 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$14,715,000 CAD (2017 - \$10,196,000 CAD), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 82,964	\$ 137,780
United States Dollar	285,842	484,200
	<u>\$ 368,806</u>	<u>\$ 621,980</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$3,688,000 CAD (2017 - \$6,220,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Food, Beverage & Tobacco	\$ 71,645	4.7 %	\$ 71,209	6.8 %
Software & Services	336,116	22.3 %	229,645	21.9 %
Technology Hardware & Equipment	22,423	1.5 %	35,435	3.4 %
Total Direct Private Equity Investments	430,184	28.5 %	336,289	32.1 %
Total Unlisted Private Equity Investee Funds in diversified industries	1,079,161	71.5 %	712,910	67.9 %
	<u>\$ 1,509,345</u>	<u>100.0 %</u>	<u>\$ 1,049,199</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

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

Other Price Risk (continued)

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

GEOGRAPHIC REGION
(in 000s)

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 71,645	4.7 %	\$ 71,209	6.8 %
United States	358,539	23.8 %	265,080	25.3 %
Total Direct Private Equity Investments	430,184	28.5 %	336,289	32.1 %
Total Unlisted Private Equity Investee Funds diversified globally	1,079,161	71.5 %	712,910	67.9 %
	<u>\$ 1,509,345</u>	<u>100.0 %</u>	<u>\$ 1,049,199</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$151,212,000 (2017 - \$105,765,000) or 10.0% (2017 – 10.0%) of net assets attributable to holders of redeemable units.

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

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash	\$ 2,126	\$ -	\$ -	\$ 2,126
BCI Money Market Funds	646	-	-	646
Direct Private Equity Investments	-	-	430,184	430,184
Unlisted Private Equity Investee Funds	-	-	1,079,161	1,079,161
Total Investments	<u>\$ 2,772</u>	<u>\$ -</u>	<u>\$ 1,509,345</u>	<u>\$ 1,512,117</u>

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Cash	\$ 7,055	\$ -	\$ -	\$ 7,055
BCI Money Market Funds	1,398	-	-	1,398
Direct Private Equity Investments	-	-	336,289	336,289
Unlisted Private Equity Investee Funds	-	-	712,910	712,910
Total Investments	<u>\$ 8,453</u>	<u>\$ -</u>	<u>\$ 1,049,199</u>	<u>\$ 1,057,652</u>

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

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

Fair Value Hierarchy (continued)

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

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 336,289	\$ 712,910	\$ 1,049,199
Total gains or (losses) recognized in profit or loss	93,895	98,868	192,763
Purchases	-	354,273	354,273
Sales	-	(86,890)	(86,890)
Balance, end of year	<u>\$ 430,184</u>	<u>\$ 1,079,161</u>	<u>\$ 1,509,345</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 93,895</u>	<u>\$ 91,428</u>	<u>\$ 185,323</u>

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

Fair Value Hierarchy (continued)

	2017		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of period	\$ 324,230	\$ 395,205	\$ 719,435
Total gains or (losses) recognized in profit or loss	19,747	112,241	131,988
Purchases	-	254,354	254,354
Sales	(7,688)	(48,890)	(56,578)
Balance, end of period	<u>\$ 336,289</u>	<u>\$ 712,910</u>	<u>\$ 1,049,199</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 19,695</u>	<u>\$ 104,784</u>	<u>\$ 124,479</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 430,184	Net Asset Value	Net Asset Value	\$ 358,539	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$1,079,161	Net Asset Value	Net Asset Value	\$1,079,161	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 71,209	Market approach	EV / EBITDA	\$ 71,209	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 265,080	Unadjusted Net Asset Value	Net Asset Value	\$ 265,080	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 712,910	Unadjusted Net Asset Value	Net Asset Value	\$ 712,910	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

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

(ii) Net Asset Value:

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

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

Fair Value Measurement Discussion (continued)
as at December 31

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 150,934	\$ 104,920
Unfavourable	\$ (150,934)	\$ (104,920)

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2015 PRIVATE PLACEMENT FUND

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

As at December 31, the Fund's investments are held primarily through 2 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities is approximately \$1,512,112,000 (2017 - \$1,057,647,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 646
Unlisted private equity investee funds administered by third party managers	11	\$ 24,886,029	\$ 1,079,161

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

Entity	December 31, 2017		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 1,132,807	\$ 1,398
Unlisted private equity investee funds administered by third party managers	10	\$ 15,548,050	\$ 712,910

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		<u>\$ 2,279,769</u>	<u>\$ 1,595,357</u>
Liabilities			
BCI cost recoveries payable	4	983	1,556
Other accounts payable		<u>11</u>	<u>11</u>
		<u>994</u>	<u>1,567</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,278,775</u></u>	<u><u>\$ 1,593,790</u></u>
<i>Number of redeemable units outstanding</i>	5	4,635.416	3,699.173
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 492</u></u>	<u><u>\$ 431</u></u>
<i>Unfunded committed capital</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Year Ended December 31, 2017
Revenue:			
Interest income		\$ 19	\$ 34
Change in fair value of investments:			
Net realized gain		66,087	3,181
Net change in unrealized appreciation		<u>225,775</u>	<u>317,074</u>
Total revenue		<u>291,881</u>	<u>320,289</u>
Expenses:			
BCI cost recoveries	4	682	4,604
Administrative fees		77	28
Pursuit costs		(1,744)	4,027
Withholding taxes		<u>-</u>	<u>27</u>
Total operating expenses		<u>(985)</u>	<u>8,686</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>292,866</u>	<u>311,603</u>
Distributions to holders of redeemable units:			
From net realized gains on investments		<u>(54,111)</u>	<u>-</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 238,755</u></u>	<u><u>\$ 311,603</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT 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	\$ 1,593,790	\$ 321,629
Increase in net assets attributable to holders of redeemable units	238,755	311,603
Redeemable unit transactions:		
Proceeds from units issued	681,396	1,036,373
Reinvestment of distributions	54,111	-
Amounts paid for units redeemed	<u>(289,277)</u>	<u>(75,815)</u>
Net increase from redeemable unit transactions	<u>446,230</u>	<u>960,558</u>
Balance, end of year	<u>\$ 2,278,775</u>	<u>\$ 1,593,790</u>

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	\$ 238,755	\$ 311,603
Adjustments for:		
Interest income	(19)	(34)
Withholding taxes	-	27
Net realized gain from investments	(66,087)	(3,181)
Net change in unrealized appreciation of investments	(225,775)	(317,074)
Non cash distributions	54,111	-
Proceeds from sale of investments	292,619	95,853
Amounts paid for purchase of investments	(685,169)	(1,048,552)
BCI cost recoveries	(573)	794
Other accounts payable	-	(1)
Interest received	19	34
Withholding taxes paid	-	(27)
	<u>(392,119)</u>	<u>(960,558)</u>
Financing activities:		
Proceeds from issuance of redeemable units	681,396	1,036,373
Payments on redemption of redeemable units	<u>(289,277)</u>	<u>(75,815)</u>
	<u>392,119</u>	<u>960,558</u>
Cash, beginning and end of year	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 2,278,818	\$ 1,746,326	\$ 1,595,129	\$ 1,288,414
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>951</u>	<u>953</u>	<u>228</u>	<u>228</u>
Total Investments	<u><u>\$ 2,279,769</u></u>	<u><u>\$ 1,747,279</u></u>	<u><u>\$ 1,595,357</u></u>	<u><u>\$ 1,288,642</u></u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2016 Private Placement Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 575,507	25.3 %	\$ 744,039	46.6 %
Unlisted Private Equity Investee Funds	1,703,214	74.7 %	851,052	53.4 %
Foreign Currency Contracts	-	- %	(21)	- %
BCI Money Market Funds	97	- %	59	- %
	<u>\$ 2,278,818</u>	<u>100.0 %</u>	<u>\$ 1,595,129</u>	<u>100.0 %</u>

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

Credit Risk

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

Liquidity Risk

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

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

Liquidity Risk (continued)

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 731,431	32.1 %	\$ 507,754	31.9 %
United States Dollar	1,547,348	67.9 %	1,087,356	68.2 %
Net Exposure	<u>\$ 2,278,779</u>	<u>100.1 %</u>	<u>\$ 1,595,110</u>	<u>100.1 %</u>

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

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

Currency Risk (continued)

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$22,788,000 CAD (2017 - \$15,951,000 CAD), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 398,810	\$ 522,712
United States Dollar	1,671,983	1,985,638
	<u>\$ 2,070,793</u>	<u>\$ 2,508,350</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$20,708,000 CAD (2017 - \$25,084,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Diversified Financials	\$ 311,516	13.7 %	\$ 273,172	17.1 %
Capital Goods	210,104	9.2 %	287,708	18.0 %
Transportation	53,887	2.4 %	183,159	11.5 %
Total Direct Private Equity Investments	575,507	25.3 %	744,039	46.6 %
Total Unlisted Private Equity Investee Funds in diversified industries	1,703,214	74.7 %	851,052	53.4 %
	<u>\$ 2,278,721</u>	<u>100.0 %</u>	<u>\$ 1,595,091</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

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

Other Price Risk (continued)

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

**GEOGRAPHIC REGION
(in 000s)**

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments:				
Europe	\$ 53,887	2.4 %	\$ 40,240	2.5 %
United States	-	- %	142,919	9.0 %
Asia	210,104	9.2 %	287,708	18.0 %
United Kingdom	311,516	13.7 %	273,172	17.1 %
Total Direct Private Equity Investments	575,507	25.3 %	744,039	46.6 %
Total Unlisted Private Equity Investee Funds diversified globally	1,703,214	74.7 %	851,052	53.4 %
	<u>\$ 2,278,721</u>	<u>100.0 %</u>	<u>\$ 1,595,091</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$227,977,000 (2017 - \$159,536,000) or 10.0% (2017 - 10.0%) of net assets attributable to holders of redeemable units.

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

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 1,048	\$ -	\$ -	\$ 1,048
Direct Private Equity Investments	-	-	575,507	575,507
Unlisted Private Equity Investee Funds	-	-	1,703,214	1,703,214
Total Investments	<u>\$ 1,048</u>	<u>\$ -</u>	<u>\$ 2,278,721</u>	<u>\$ 2,279,769</u>

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 287	\$ -	\$ -	\$ 287
Foreign Currency Contracts	-	(21)	-	(21)
Direct Private Equity Investments	-	-	744,039	744,039
Unlisted Private Equity Investee Funds	-	-	851,052	851,052
Total Investments	<u>\$ 287</u>	<u>\$ (21)</u>	<u>\$ 1,595,091</u>	<u>\$ 1,595,357</u>

During 2018 and 2017, there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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

Fair Value Hierarchy (continued)

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

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of year	\$ 744,039	\$ 851,052	\$ 1,595,091
Total gains or (losses) recognized in profit or loss	(100,785)	225,147	124,362
Purchases	-	730,105	730,105
Sales	(67,747)	(103,090)	(170,837)
Balance, end of year	<u>\$ 575,507</u>	<u>\$ 1,703,214</u>	<u>\$ 2,278,721</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ (98,382)</u>	<u>\$ 213,988</u>	<u>\$ 115,606</u>

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

Fair Value Hierarchy (continued)

	2017		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of period	\$ 216,165	\$ 104,215	\$ 320,380
Total gains or (losses) recognized in profit or loss	265,511	11,804	277,315
Purchases	262,363	823,096	1,085,459
Sales	-	(88,063)	(88,063)
Balance, end of period	<u>\$ 744,039</u>	<u>\$ 851,052</u>	<u>\$ 1,595,091</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 265,511</u>	<u>\$ 14,083</u>	<u>\$ 279,594</u>

During 2018 and 2017, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 311,516	Discounted Cash Flow	Discount rate	13.5%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Direct Private Equity Investments	\$ 263,991	Net Asset Value	Net Asset Value	\$263,991	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$1,569,602	Adjusted Net Asset Value	Adjusted Net Asset Value	\$1,569,602	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Fund	\$ 133,612	Adjusted Net Asset Value	Adjusted Net Asset Value	\$133,612	The estimated fair value would increase (decrease) if: - The net asset value of unlisted private equity investee funds was higher (lower). - The fair value adjustment was lower (higher)

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 416,092	Market approach	EV / EBITDA	\$ 416,092	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Equity Investments	\$ 40,239	Unadjusted Net Asset Value	Net Asset Value	\$ 40,239	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Direct Private Equity Investments	\$ 287,708	Adjusted NAV	Net Asset Value Adjusted Net Asset Value	\$ 62,554 \$ 225,154	The estimated fair value would increase (decrease) if: -The net asset value of direct private equity investments was higher (lower). -The fair value adjustment was lower (higher).
Unlisted Private Equity Investee Funds	\$ 767,178	Unadjusted Net Asset Value	Net Asset Value	\$ 767,178	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).
Unlisted Private Equity Investee Fund	\$ 83,874	Adjusted NAV	Net Asset Value Adjusted Net Asset Value	\$ 104,212 \$ (20,338)	The estimated fair value would increase (decrease) if: -The net asset value of unlisted private equity investee funds was higher (lower). -The fair value adjustment was lower (higher).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

- (i) Discount rate:
Represents the discount rate applied to the expected future cash flows. For the discount rates used, BCI management assesses both the risk premium and the appropriate risk-free rate based on the economic environment in which the investee entity operates. The discount rate is adjusted for such matters as liquidity differences, credit and market factors. The estimated future cash flows are then discounted using the discount rate determined. Cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the respective investee entity.
- (ii) Net Asset Value:
Represents the net asset value of direct private equity investments and unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners.

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

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

- (iii) Fair Value Adjustment:
Represents total adjustments applied to the net asset value of direct private equity investments and investee funds. BCI management determines these adjustments based on judgement, on an investee by investee basis, through review of information received from underlying investees and other sources.
- (iv) Enterprise Value ("EV") and EBITDA multiples:
EV represent amounts that market participants would use when pricing the investments. EV may be based on arm's length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies and transactions in private 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.

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PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 227,872	\$ 159,509
Unfavourable	\$ (227,872)	\$ (159,509)

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

As at December 31, the Fund's investments are held primarily through 3 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$2,278,818,000 (2017 - \$1,595,129,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 1,048
Unlisted private equity investee funds administered by third party managers	12	\$ 21,087,156	\$ 1,703,214

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

Involvement with Structured Entities (continued)				
as at December 31				
Entity	December 31, 2017			
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying Amount Included in Investments in the Statement of Financial Position (in 000s)	
Investee money market funds administered by BCI	2	\$ 1,132,807	\$	287
Unlisted private equity investee funds administered by third party managers	11	\$ 9,071,423	\$	851,052

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2016 PRIVATE PLACEMENT FUND

**Involvement with Subsidiaries and Associates
as at December 31**

The Fund also holds through intermediary holding corporations the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at FVTPL. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates:

December 31, 2018

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/Registration	Ownership Interest	Voting Rights
Hayfin Capital Partners	European credit platform specializing in sourcing, structuring, and managing European private debt instruments.	Common shares	Subsidiary	U.K.	England	66.51%	66.51%

December 31, 2017

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/Registration	Ownership Interest	Voting Rights
Hayfin Capital Partners	European credit platform specializing in sourcing, structuring, and managing European private debt instruments.	Common shares	Subsidiary	U.K.	England	66.51%	66.51%
Pilot Air Freight LLC and Subsidiaries	Operates as a manager and/or coordinator of logistics transportation services.	Common shares	Associate	U.S.	U.S.	38.51%	38.51%

During 2018 and 2017, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018	December 31, 2017
Assets			
Investments		\$ 1,162,369	\$ 197,385
Liabilities			
BCI cost recoveries payable	4	1,204	2,378
Other accounts payable		11	11
		<u>1,215</u>	<u>2,389</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,161,154</u>	<u>\$ 194,996</u>
<i>Number of redeemable units outstanding</i>	5	9,963.829	1,817.138
Net assets attributable to holders of redeemable units per unit		<u>\$ 117</u>	<u>\$ 107</u>
<i>Unfunded committed capital</i>	6		

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2018	Period Ended December 31, 2017
Revenue:			
Interest income		\$ -	\$ 7
Net realized gain		4,875	-
Net change in unrealized appreciation		60,716	4,983
Total revenue		<u>65,591</u>	<u>4,990</u>
Expenses:			
BCI cost recoveries	4	4,954	13,289
External management fees		-	46
Administrative fees		571	166
Pursuit costs		920	2,281
Total operating expenses		<u>6,445</u>	<u>15,782</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 59,146</u>	<u>\$ (10,792)</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

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

	Year Ended December 31, 2018	Period Ended December 31, 2017
Balance, beginning of period	\$ 194,996	\$ -
Increase (decrease) in net assets attributable to holders of redeemable units	59,146	(10,792)
Redeemable unit transactions:		
Proceeds from units issued	1,109,964	216,098
Amounts paid for units redeemed	(202,952)	(10,310)
Net increase from redeemable unit transactions	907,012	205,788
Balance, end of period	\$ 1,161,154	\$ 194,996

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2018	Period Ended December 31, 2017
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 59,146	\$ (10,792)
Adjustments for:		
Interest income	-	(7)
Net realized gain from investments	(4,875)	-
Net change in unrealized appreciation of investments	(60,716)	(4,983)
Proceeds from sale of investments	210,529	23,091
Amounts paid for purchase of investments	(1,109,922)	(215,493)
BCI cost recoveries	(1,174)	2,378
Other accounts payable	-	11
Interest received	-	7
	(907,012)	(205,788)
Financing activities:		
Proceeds from issuance of redeemable units	1,109,964	216,098
Payments on redemption of redeemable units	(202,952)	(10,310)
	907,012	205,788
Cash, beginning and end of period	\$ -	\$ -

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018		2017	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments¹:	\$ 1,162,364	\$ 1,096,665	\$ 197,380	\$ 192,397
Money Market Investments:				
Units in BCI Pooled Investment				
Portfolio:				
Fund ST1	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Total Investments	<u><u>\$ 1,162,369</u></u>	<u><u>\$ 1,096,670</u></u>	<u><u>\$ 197,385</u></u>	<u><u>\$ 192,402</u></u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2017 Private Equity Fund.

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

	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments	\$ 639,063	55.0 %	\$ 89,768	45.5 %
Direct Private Debt Investments	-	- %	2,187	1.1 %
Unlisted Private Equity Investee Funds	523,229	45.0 %	107,601	54.5 %
BCI Money Market Funds	73	- %	12	- %
Net Investment-Related Payables	(1)	- %	(2,188)	(1.1)%
	<u>\$ 1,162,364</u>	<u>100.0 %</u>	<u>\$ 197,380</u>	<u>100.0 %</u>

Credit Risk

The majority of the private debt investments are in closely held private companies where the Fund has a significant ownership percentage. Due to the private nature of the debt, it is not subject to rating by a rating agency. The Fund's debt investments are not subject to credit risk as any decrease in fair value would result in an offsetting change in value of the related equity investment.

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

Liquidity Risk

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

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

Interest Rate Risk

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2018 and 2017, the Fund had no other assets or liabilities which change in value as a result of changes in interest rates.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

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

Currency Risk

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

CURRENCY (CAD 000s)	2018		2017	
	Net Investments and Investment- Related Receivables	% of Total Net Assets	Net Investments and Investment- Related Receivables	% of Total Net Assets
Euro	\$ 682,108	58.7 %	\$ 91,101	46.7 %
United States Dollar	480,228	41.4 %	108,455	55.6 %
Net Exposure	<u>\$ 1,162,336</u>	<u>100.1 %</u>	<u>\$ 199,556</u>	<u>102.3 %</u>

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

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$11,623,000 CAD (2017 - \$1,996,000 CAD), representing 1.0% of the Fund's net assets (2017 - 1.0%). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Currency Risk (continued)

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

CURRENCY (CAD 000s)	2018	2017
Euro	\$ 585,118	\$ 488,904
United States Dollar	1,343,364	1,651,469
	<u>\$ 1,928,482</u>	<u>\$ 2,140,373</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$19,285,000 CAD (2017 - \$21,404,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Pharmaceuticals, Biotechnology & Life Sciences	\$ 131,539	11.3 %	\$ 89,768	45.0 %
Financials	40,301	3.5 %	-	- %
Food, Beverage & Tobacco	467,223	40.2 %	2,187	1.1 %
Total Direct Private Equity and Debt Investments	639,063	55.0 %	91,955	46.1 %
Total Unlisted Private Equity Investee Funds in diversified industries	523,229	45.0 %	107,601	53.9 %
	<u>\$ 1,162,292</u>	<u>100.0 %</u>	<u>\$ 199,556</u>	<u>100.0 %</u>

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

Other Price Risk (continued)

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

GEOGRAPHIC REGION (in 000s)	2018		2017	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments:				
Europe	\$ 598,762	51.5 %	\$ 91,955	46.1 %
Europe, United Kingdom, United States	40,301	3.5 %	-	- %
Total Direct Private Equity and Debt Investments	639,063	55.0 %	91,955	46.1 %
Total Unlisted Private Equity Investee Funds diversified globally	523,229	45.0 %	107,601	53.9 %
	<u>\$ 1,162,292</u>	<u>100.0 %</u>	<u>\$ 199,556</u>	<u>100.0 %</u>

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

As at December 31, had the fair value of the investments 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 \$116,237,000 (2017 - \$19,739,000) or 10.0% (2017 - 10.1%) of net assets attributable to holders of redeemable units.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Payables	\$ -	\$ (1)	\$ -	\$ (1)
BCI Money Market Funds	78	-	-	78
Direct Private Equity Investments	-	-	639,063	639,063
Unlisted Private Equity Investee Funds	-	-	523,229	523,229
Total Investments	\$ 78	\$ (1)	\$ 1,162,292	\$ 1,162,369

	2017			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Net Investment-Related Payables	\$ -	\$ (2,188)	\$ -	\$ (2,188)
bciMC Money Market Funds	17	-	-	17
Direct Private Equity Investments	-	-	89,768	89,768
Direct Private Debt Investments	-	-	2,187	2,187
Unlisted Private Equity Investee Funds	-	-	107,601	107,601
Total Investments	\$ 17	\$ (2,188)	\$ 199,556	\$ 197,385

During 2018 there were no significant transfers between Level 1 and Level 2.

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

Fair Value Hierarchy (continued)

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

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			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of period	\$ 89,768	\$ 2,187	\$ 107,601	\$ 199,556
Total gains or (losses) recognized in profit or loss	32,736	133	24,472	57,341
Purchases	548,729	-	605,126	1,153,855
Sales	(32,170)	(2,320)	(213,970)	(248,460)
Balance, end of period	\$ 639,063	\$ -	\$ 523,229	\$ 1,162,292

Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	\$ 32,197	\$ -	\$ 14,301	\$ 46,498
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See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

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

Fair Value Hierarchy (continued)

	2017			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)				
Balance, beginning of period	\$ -	\$ -	\$ -	\$ -
Total gains or (losses) recognized in profit or loss	2,730	(371)	3,515	5,874
Purchases	87,038	2,558	104,086	193,682
Sales	-	-	-	-
Balance, end of period	<u>\$ 89,768</u>	<u>\$ 2,187</u>	<u>\$ 107,601</u>	<u>\$ 199,556</u>
Total unrealized gains or (losses) for the period included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 2,730</u>	<u>\$ (371)</u>	<u>\$ 3,515</u>	<u>\$ 5,874</u>

During 2018, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 639,063	Net Asset Value	Net Asset Value	\$ 639,063	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Unlisted Private Equity Investee Funds	\$ 523,229	Net asset value	Net asset value	\$ 524,756	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2017				
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 89,768	Market approach	EV / EBITDA	\$ 89,768	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Direct Private Debt Investments	\$ 2,187	Market Approach	EV / EBITDA	\$ 2,187	The estimated fair value would increase (decrease) if the EV / EBITDA multiples were higher (lower).
Unlisted Private Equity Investee Funds	\$ 107,601	Unadjusted Net Asset Value	Net Asset Value	\$ 107,601	The estimated fair value would increase (decrease) if the net asset value of unlisted private equity investee funds was higher (lower).

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

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

(ii) Net Asset Value:

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

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

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

EV represent amounts that market participants would use when pricing the investments. EV may be based on arm's length financing rounds, or other limited market events. EBITDA multiples are selected from comparable public companies and transactions in private 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.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018	2017
Favourable	\$ 116,229	\$ 19,956
Unfavourable	\$ (116,229)	\$ (19,956)

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

As at December 31, the Fund's investments are held primarily through 3 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$1,162,364,000 (2017 - \$197,380,000) is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 78
Unlisted private equity investee funds administered by third party managers	13	\$ 12,042,266	\$ 523,229

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

Involvement with Structured Entities (continued) as at December 31				
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 bclMC	2	\$ 1,132,807	\$	17
Unlisted private equity investee funds administered by third party managers	10	\$ 583,295	\$	107,601

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2017 PRIVATE EQUITY FUND

**Involvement with Subsidiaries and Associates
as at December 31**

The Fund also holds through intermediary holding corporations the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at FVTPL. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates:

December 31, 2018

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/ Registration	Ownership Interest	Voting Rights
Refresco Group N.V.	Industrial Bottling	Limited partnership interest	Associate	Europe, UK, US	The Netherlands	29.93	29.93

The Fund did not hold interests in any unconsolidated subsidiaries or associates as at December 31, 2017.

During 2018 and 2017, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2018 (note 1)
Assets		
Investments		\$ 934,686
Liabilities		
BCI cost recoveries payable	4	3,416
Other accounts payable		11
		<u>3,427</u>
Net assets attributable to holders of redeemable units		<u>\$ 931,259</u>
<i>Number of redeemable units outstanding</i>	5	2,970.748
Net assets attributable to holders of redeemable units per unit		<u>\$ 313</u>
<i>Unfunded committed capital</i>	6	

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Period Ended December 31, 2018 (note 1)
Revenue:		
Change in fair value of investments:	7	
Net realized gain		85
Net change in unrealized appreciation		110,008
Total revenue		<u>110,093</u>
Expenses:		
BCI cost recoveries	4	21,274
Administrative fees		4
Pursuit costs		1,374
Total operating expenses		<u>22,652</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>87,441</u>
Increase in net assets attributable to holders of redeemable units		<u>\$ 87,441</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
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

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

	Period Ended December 31, 2018 <i>(note 1)</i>
Balance, beginning of period	\$ -
Increase in net assets attributable to holders of redeemable units	87,441
Redeemable unit transactions:	
Proceeds from units issued	853,361
Amounts paid for units redeemed	<u>(9,543)</u>
Net increase from redeemable unit transactions	<u>843,818</u>
Balance, end of period	<u>\$ 931,259</u>

Statement of Cash Flows
(all amounts in thousands)

	Period Ended December 31, 2018 <i>(note 1)</i>
Operating activities:	
Increase in net assets attributable to holders of redeemable units	\$ 87,441
Adjustments for:	
Net realized gain from investments	(85)
Net change in unrealized appreciation from investments	(110,008)
Proceeds from sale of investments	26,172
Amounts paid for purchase of investments	(850,765)
BCI cost recoveries	3,416
Other accounts payable	<u>11</u>
	<u>(843,818)</u>
Financing activities:	
Proceeds from issue of redeemable units	853,361
Payments on redemption of redeemable units	<u>(9,543)</u>
	<u>843,818</u>
Net increase (decrease) in cash	-
Cash, beginning of period	<u>-</u>
Cash, end of period	<u>\$ -</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2018	
	<u>Fair Value</u>	<u>Cost</u>
Private Equity Investments ¹:	\$ 934,681	\$ 824,673
Money Market Investments:		
Units in BCI Pooled Investment Portfolio		
Fund ST1	<u>5</u>	<u>5</u>
Total Investments	<u>\$ 934,686</u>	<u>\$ 824,678</u>

¹ The private equity investments are held through private corporations.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

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

The investment objectives, eligible investments and general information on the financial risks related to the Private Placement Program are described in note 8 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2018 Private Equity Fund.

	2018	
	Total	% of Total
Direct Private Equity Investments	\$ 865,945	92.6 %
Unlisted Private Equity Investee Funds	67,698	7.3 %
BCI Money Market Funds	1,038	0.1 %
	<u>\$ 934,681</u>	<u>100.0 %</u>

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (Cdn 000s)	2018	
	Net Investments and Investment- Related Receivables	% of Total Net Assets
Australian Dollar	\$ (1,115)	(0.1)%
Euro	88,770	9.5 %
United States Dollar	835,857	89.8 %
Net Exposure	<u>\$ 923,512</u>	<u>99.2 %</u>

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

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

Currency Risk (continued)

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/ increased, respectively, by \$9,235,000 Cdn, representing 1.0% of the Fund's net assets. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

CURRENCY (Cdn 000s)	2018
Australian Dollar	\$ 58,088
Euro	763,369
United States Dollar	1,699,840
	<u>\$ 2,521,297</u>

As at December 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$25,213,000 Cdn. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Total unfunded committed capital related to the Fund is described in note 6 of the financial statements.

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2018	
	Total	% of Total
Direct Private Equity Investments:		
Commercial & Professional Services	\$ 90,695	9.7 %
Software & Services	464,074	49.7 %
Technology hardware and equipment	165,605	17.7 %
Transportation	45,571	15.6 %
Total Direct Private Equity Investments	865,945	92.7 %
Total Unlisted Private Equity Investee Funds in diversified industries	67,698	7.3 %
	<u>\$ 933,643</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

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

Other Price Risk (continued)

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

GEOGRAPHIC REGION (in 000s)	2018	
	Total	% of Total
Direct Private Equity Investments:		
Asia	\$ 25,960	2.8 %
North America	629,679	67.4 %
Western Europe	210,306	22.5 %
Total Direct Private Equity Investments	865,945	92.7 %
Total Unlisted Private Equity Investee Funds diversified globally	67,698	7.3 %
	<u>\$ 933,643</u>	<u>100.0 %</u>

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

As at December 31, 2018, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$93,469,000 or 10.0% of net assets attributable to redeemable units.

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

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

Fair Value Hierarchy

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

	2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
BCI Money Market Funds	\$ 1,043	\$ -	\$ -	\$ 1,043
Direct Private Equity Investments	-	-	865,945	865,945
Unlisted Private Equity Investee Funds	-	-	67,698	67,698
Total Investments	<u>\$ 1,043</u>	<u>\$ -</u>	<u>\$ 933,643</u>	<u>\$ 934,686</u>

During 2018 there were no significant transfers between Level 1 and Level 2.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

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

Fair Value Hierarchy (continued)

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

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

	2018		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
(in 000s)			
Balance, beginning of period	\$ -	\$ -	\$ -
Total gains or (losses) recognized in profit or loss	120,217	(9,948)	110,269
Purchases	745,728	88,695	834,423
Sales	-	(11,049)	(11,049)
Balance, end of period	<u>\$ 865,945</u>	<u>\$ 67,698</u>	<u>\$ 933,643</u>
Total unrealized gains or (losses) for the year included in profit or loss relating to financial assets and liabilities held at the reporting date	<u>\$ 120,217</u>	<u>\$ (8,644)</u>	<u>\$ 111,573</u>

During 2018, there were no significant transfers into or out of Level 3.

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2018					Sensitivity to Change in Significant Unobservable Input
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Weighted Average	
Direct Private Equity Investments	\$ 839,985	Net Asset Value	Net Asset Value	\$839,985	N/A	The estimated fair value would increase (decrease) if the net asset value of direct private equity investments was higher (lower).
Direct Private Equity Investments	\$ 25,960	Discounted Cash Flow	Discount rate	9.63%	9.63%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 56,546	Net Asset Value	Net Asset Value	\$56,546	N/A	The estimated fair value would increase (decrease) if the net asset value of the unlisted private equity investee funds was higher (lower).

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

	2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Fund	\$ 11,152	Adjusted net asset value	Adjusted net asset value	\$11,152	N/A	The estimated fair value would increase (decrease) if: - The fair value of the unlisted private equity investee funds was higher (lower) - The fair value adjustment was lower (higher)

Fair Value Measurement Discussion (continued)
as at December 31

Significant Unobservable Inputs Used in Measuring Fair Value (continued)

Significant unobservable inputs are developed as follows:

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

The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as level 3 within the fair value hierarchy.
- (ii) **Discount rate:**
Represents the discount rate applied to the expected future cash flows. For the discount rates used, BCI management assesses both the risk premium and the appropriate risk-free rate based on the economic environment in which the investee entity operates. The discount rate is adjusted for such matters as liquidity differences, credit and market factors. The estimated future cash flows are then discounted using the discount rate determined. Cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the respective investee entity.
- (iii) **Adjusted Net Asset Value:**
Represents the total adjustments applied to the net asset value of the unlisted private equity investee funds. BCI management determines these adjustments based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

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

Effects of Unobservable Inputs on Fair Value Measurement

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

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

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

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

(in 000s)	2018
Favourable	\$ 93,364
Unfavourable	\$ (93,364)

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

The Fund's investments are held primarily through 3 intermediary holding corporations which constitute structured entities. Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. These structured entities have been set up by BCI to manage legal, tax and other risks that may arise in the course of administering the underlying investments. The carrying amount of these entities of approximately \$934,681,000 is included within Investments in the Statement of Financial Position.

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

Entity	December 31, 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	\$ 2,521,901	\$ 1,043
Unlisted private equity investee funds administered by third party managers	11	\$ 543,769	\$ 67,698

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2018 and 2017, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

2018 PRIVATE EQUITY FUND

**Involvement with Subsidiaries and Associates
as at December 31**

The Fund also holds through intermediary holding corporations the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at FVTPL. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates:

December 31, 2018

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	Country of Incorporation/ Registration	Ownership Interest	Voting Rights
Verifone Systems Inc.	Financial Services	Common shares	Associate	U.S.	U.S.	22.54%	22.54%

During 2018, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

See accompanying Notes to the Financial Statements.

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

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 at 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, 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
Private Placement Fund 1996	March 20, 1996
Private Placement Fund 1997	March 12, 1997
Private Placement Fund 1998	March 12, 1998
Private Placement Fund 1999	March 17, 1999
Private Placement Fund 1999A	March 17, 1999
2000 Private Placement Fund	January 1, 2004
2001 Private Placement Fund	January 1, 2004
2002 Private Placement Fund	January 1, 2004
2003 Private Placement Fund	January 1, 2004
2004 Private Placement Fund	January 1, 2004
2005 Private Placement Fund	January 1, 2005
2006 Private Placement Fund	January 27, 2006

Pooled Investment Portfolios	Dates Established
2007 Private Placement Fund	January 11, 2007
2008 Private Placement Fund	January 9, 2008
2009 Private Placement Fund	January 13, 2009
2010 Private Placement Fund	January 29, 2010
2011 Private Placement Fund	February 11, 2011
2012 Private Placement Fund	March 1, 2012
2013 Private Placement Fund	March 4, 2013
2014 Private Placement Fund	February 14, 2014
2015 Private Placement Fund	February 5, 2015
2016 Private Placement Fund	January 11, 2016
2017 Private Equity Fund	February 9, 2017
2018 Private Equity Fund*	February 5, 2018

*As this Fund was established in 2018, no comparative figures have been presented in the respective financial statements.

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

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Funds have been prepared in compliance with International Financial Reporting Standards ("IFRS"). The financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on July 4, 2019.

(b) Accounting for investments

The Funds qualify as investment entities as they meet the following definition of an investment entity outlined in IFRS 10, Consolidated Financial Statements (IFRS 10):

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

No significant judgments or assumptions were made in determining that the Funds meet the definition of an investment entity as defined in IFRS 10.

(c) 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.

(d) Functional and presentation currency

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

(e) 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, revenue and expenses. In determining the fair value of some of its investments, BCI reviews and assesses external managers' estimates and assumptions regarding investment industry performance and prospects, as well as general business and economic conditions that prevail or are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year is included in note 8. This information relates to the determination of fair value of investments with significant unobservable inputs.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
PRIVATE EQUITY - 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 intend 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 may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Funds change their business models 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
PRIVATE EQUITY - 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 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 Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including 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.

(b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (section 10), each Fund is required to distribute, to unitholders of the respective Fund's redeemable units, the taxable income and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are recognized in comprehensive income when they are authorized and no longer at the discretion of BCI.

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

3. Significant accounting policies (continued)

(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.

(d) Foreign exchange

The 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.

(e) Revenue recognition

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined using the average cost basis of the respective investments. Pursuit costs are charged to net income of the respective Funds in the period incurred.

(f) Income taxes

The Funds qualify as inter-vivos trusts under section 108(1) of the *Income Tax Act (Canada)*. All of a Fund's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Fund. As a result, the Funds do not record income taxes. Income taxes associated with any of the Funds' underlying investments are accounted for in determining the fair value of the respective investments.

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NOTES TO THE FINANCIAL STATEMENTS
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3. Significant accounting policies (continued)

(g) 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 policies 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		
Investments	FVTPL	FVTPL
Financial liabilities		
BCI cost recoveries payable	Other financial liabilities	Amortized cost
Other accounts payable	Other financial liabilities	Amortized cost
Redeemable units	FVTPL	FVTPL

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PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3. Significant accounting policies (continued)

(g) 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 measure 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.

(h) 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 December 31, 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

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 on a cost recovery basis. BCI cost recoveries and corresponding payable are disclosed in each Fund's Statement of Comprehensive Income and Statement of Financial Position, respectively.

The 2016 Private Placement Fund has limited partnership investments in Hayfin Sapphire LP and Hayfin Special Opportunities Fund II, which are managed by Hayfin Capital Holdings Limited as the general partner. The Fund has a 66.51% ownership interest in Hayfin Capital Holdings Limited.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
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NOTES TO THE FINANCIAL STATEMENTS
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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:

	PRIVATE PLACEMENT FUND 1996		PRIVATE PLACEMENT FUND 1997		PRIVATE PLACEMENT FUND 1998	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	0.019	0.015	1.196	1.730	0.130	0.163
Issued for cash	0.008	0.004	0.030	0.032	0.003	0.003
Issued on reinvestment of distributions	-	-	0.265	0.323	-	0.031
Consolidation of units	-	-	(0.265)	(0.323)	-	(0.031)
Redeemed	(0.012)	-	(0.465)	(0.566)	-	(0.036)
Outstanding, end of period	0.015	0.019	0.761	1.196	0.133	0.130

	PRIVATE PLACEMENT FUND 1999		PRIVATE PLACEMENT FUND 1999A		2000 PRIVATE PLACEMENT FUND	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	6.972	9.841	0.899	0.870	2.598	3.027
Issued for cash	0.137	0.078	0.046	0.029	0.059	0.040
Issued on reinvestment of distributions	1.086	1.364	-	-	0.598	0.334
Consolidation of units	(1.086)	(1.364)	-	-	(0.598)	(0.334)
Redeemed	(2.938)	(2.947)	(0.137)	-	(0.893)	(0.469)
Outstanding, end of period	4.171	6.972	0.808	0.899	1.764	2.598

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NOTES TO THE FINANCIAL STATEMENTS
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5. Redeemable units (continued)

	2001 PRIVATE PLACEMENT FUND		2002 PRIVATE PLACEMENT FUND		2003 PRIVATE PLACEMENT FUND	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	0.843	1.498	6.212	10.274	17.230	20.204
Issued for cash	0.017	0.019	0.038	0.039	0.100	0.109
Issued on reinvestment of distributions	0.515	0.527	1.297	2.236	0.450	1.956
Consolidation of units	(0.515)	(0.527)	(1.297)	(2.236)	(0.450)	(1.956)
Redeemed	(0.708)	(0.674)	(2.650)	(4.101)	(0.857)	(3.083)
Outstanding, end of period	<u>0.152</u>	<u>0.843</u>	<u>3.600</u>	<u>6.212</u>	<u>16.473</u>	<u>17.230</u>

	2004 PRIVATE PLACEMENT FUND		2005 PRIVATE PLACEMENT FUND		2006 PRIVATE PLACEMENT FUND	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	14.741	29.213	50.167	159.455	64.510	132.458
Issued for cash	0.263	0.257	0.332	0.821	0.168	0.436
Issued on reinvestment of distributions	0.523	2.793	12.656	72.950	9.674	39.809
Consolidation of units	(0.523)	(2.793)	(12.656)	(72.950)	(9.674)	(39.809)
Redeemed	(11.462)	(14.729)	(20.092)	(110.109)	(18.360)	(68.384)
Outstanding, end of period	<u>3.542</u>	<u>14.741</u>	<u>30.407</u>	<u>50.167</u>	<u>46.318</u>	<u>64.510</u>

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5. Redeemable units (continued)

	2007 PRIVATE PLACEMENT FUND		2008 PRIVATE PLACEMENT FUND		2009 PRIVATE PLACEMENT FUND	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	183.642	327.634	147.890	199.911	393.878	879.587
Issued for cash	0.564	0.897	0.585	0.728	0.981	11.197
Issued on reinvestment of distributions	41.626	74.291	32.469	35.986	44.834	239.220
Consolidation of units	(41.626)	(74.291)	(32.469)	(35.986)	(44.834)	(239.220)
Redeemed	(77.044)	(144.889)	(49.152)	(52.749)	(103.737)	(496.906)
Outstanding, end of period	<u>107.162</u>	<u>183.642</u>	<u>99.323</u>	<u>147.890</u>	<u>291.122</u>	<u>393.878</u>

	2010 PRIVATE PLACEMENT FUND		2011 PRIVATE PLACEMENT FUND		2012 PRIVATE PLACEMENT FUND	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	284.836	507.113	410.672	671.332	2,670.569	3,107.155
Issued for cash	2.973	11.172	7.979	23.326	89.181	449.601
Issued on reinvestment of distributions	24.463	87.286	59.533	93.115	431.878	321.521
Consolidation of units	(24.463)	(87.286)	(59.533)	(93.115)	(431.878)	(321.521)
Redeemed	(53.230)	(233.449)	(142.245)	(283.986)	(1,099.929)	(886.187)
Outstanding, end of period	<u>234.579</u>	<u>284.836</u>	<u>276.406</u>	<u>410.672</u>	<u>1,659.821</u>	<u>2,670.569</u>

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5. Redeemable units (continued)

	2013 PRIVATE PLACEMENT FUND		2014 PRIVATE PLACEMENT FUND		2015 PRIVATE PLACEMENT FUND	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	355.050	353.346	17.361	12.142	804.916	627.129
Issued for cash	27.820	89.295	4.802	5.939	209.912	214.306
Issued on reinvestment of distributions	47.320	33.085	0.227	-	15.902	7.598
Consolidation of units	(47.320)	(33.085)	(0.227)	-	(15.902)	(7.598)
Redeemed	(105.625)	(87.591)	(1.285)	(0.720)	(55.408)	(36.519)
Outstanding, end of period	<u>277.245</u>	<u>355.050</u>	<u>20.878</u>	<u>17.361</u>	<u>959.420</u>	<u>804.916</u>

	2016 PRIVATE PLACEMENT FUND		2017 PRIVATE EQUITY FUND		2018 PRIVATE EQUITY FUND	
	2018	2017	2018	2017	2018	2017
Outstanding, beginning of period	3,699.173	952.729	1,817.138	-	(note 1) -	-
Issued for cash	1,595.890	2,965.064	10,005.362	1,831.575	3,004.587	-
Issued on reinvestment of distributions	110.645	-	-	-	-	-
Consolidation of units	(110.645)	-	-	-	-	-
Redeemed	(659.647)	(218.620)	(1,858.671)	(14.437)	(33.839)	-
Outstanding, end of period	<u>4,635.416</u>	<u>3,699.173</u>	<u>9,963.829</u>	<u>1,817.138</u>	<u>2,970.748</u>	<u>-</u>

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6. Unfunded committed capital

Unfunded capital commitments represent total commitments minus net contributions outstanding as of the reporting date. Net contributions equals contributions less any recallable capital distributions. Recallable capital are distributions or previously contributed capital that has been returned, that may be recalled at some future date. Thus, due to changes in recallable capital, unfunded commitments may change at different reporting dates.

Furthermore, commitments to unlisted private equity investee funds and direct private equity investments are typically made in US dollars or Euro, but reported in Canadian dollars. Unfunded commitments are translated at the spot rate and net contributions are translated at historical exchange rates. Therefore, due to foreign exchange movements, unfunded commitments will vary on the reporting date.

The amounts in the table represent the contractual undiscounted cash commitments that can be called on demand.

Pooled Investment Portfolios (in \$000s)	Unfunded committed capital	
	As of December 31, 2018	As of December 31, 2017
Private Placement Fund 1996	450	414
Private Placement Fund 1997	15,646	14,353
Private Placement Fund 1998	-	-
Private Placement Fund 1999	3,348	3,072
Private Placement Fund 1999A	137	125
2000 Private Placement Fund	5,108	5,105
2001 Private Placement Fund	444	1,440
2002 Private Placement Fund	6,823	3,493
2003 Private Placement Fund	24,637	30,017
2004 Private Placement Fund	9,980	9,064
2005 Private Placement Fund	22,006	27,145
2006 Private Placement Fund	9,475	23,575
2007 Private Placement Fund	45,694	64,767
2008 Private Placement Fund	71,532	79,953
2009 Private Placement Fund	26,746	29,245
2010 Private Placement Fund	41,366	51,377
2011 Private Placement Fund	56,989	76,743
2012 Private Placement Fund	114,620	158,598
2013 Private Placement Fund	139,434	222,866
2014 Private Placement Fund	260,885	463,570
2015 Private Placement Fund	413,889	673,424
2016 Private Placement Fund	2,070,793	2,508,350
2017 Private Equity Fund	1,928,482	2,140,373
2018 Private Equity Fund	2,795,141	-

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7. Financial risk management

(a) Risk management framework

Private Placement Vintage Funds

The Private Placement Vintage Funds invest in privately negotiated transactions involving private, and on occasion, public companies. Investments consist primarily of debt, equity or hybrid securities of investee companies. BCI typically invests in private placements through limited partnerships managed by external fund managers. On occasion, BCI invests directly in companies alongside investments made by its external managers (known as co-investments) or independently. The partnerships invest in domestic and international companies at various stages of development, and are related to early-stage or late-stage venture capital, buy-outs, strategic opportunities, or senior or subordinated debt financing. The investment objectives of the Private Placement Vintage Funds are to provide a higher rate of return than the Morgan Stanley Capital International (MSCI) All Country World Net Index plus 200 basis points on fund investments, a nominal rate of return on direct/co-investments of at least 8.5%, a nominal rate of return on mezzanine debt financing of at least 6.8%, and a nominal rate of return on strategic opportunities of at least 7.7%. The Private Placement Program has the following long-term diversification targets based on geographic region and investment purpose (venture capital, growth expansion, buyouts, strategic opportunities and other).

Geographic Targets	Range
Canada	5% to 20%
United States	40% to 70%
Europe	10% to 35%
Asia	10% to 30%
Emerging Markets	10% to 15%

Investment Purpose Targets	Range
Venture Capital/Growth Expansion	5% to 20%
Buyouts	55% to 90%
Strategic Opportunities	0% to 30%
Other	0% to 20%

The geographic ranges relate to the investment focus rather than the locations of the fund managers. The composition of the investments within individual Private Placement Vintage Funds may deviate significantly from these targets, so unitholders may need to invest in successive vintage years to achieve the above long-term diversification targets.

The Private Placement Vintage Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios,
- publicly traded common stock or fixed income securities,
- derivative instruments, for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, with Chief Investment Officer (CIO) approval,
- units of BCI's Pooled Investment Portfolio Funds ST1, ST2 and ST3 (money market funds) and/or Currency Hedging Funds, and
- units in BCI's Floating Rate Funds.

The following restriction applies to the Private Placement Vintage Funds' investing activities:

- Direct investments in one particular company may not exceed 30 percent of the Private Placement Program's allocation to direct investments (calculated based on commitment values).

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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 Funds, resulting in a financial loss to the Funds. It arises principally from debt securities held, and also from derivative financial assets, cash and cash equivalents, and other receivables due to the Funds. The carrying value of these financial instruments as recorded in the Statements of Financial Position reflects the Funds' maximum exposure to credit risk.

To avoid undue credit risk, the Funds have established specific investment criteria, such as minimum credit ratings for investees and counterparties. Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving derivative contracts and securities lending. In order to minimize counterparty risk, counterparties are required to provide adequate collateral and meet minimum credit rating requirements. BCI management frequently monitors the credit rating of its counterparties as determined by recognized credit rating agencies.

The Funds' activities may also give rise to settlement risk. Settlement risk is the risk of loss due to failure of an entity to honour its obligations to deliver cash, securities, or other assets prior to the settlement of the transaction as contractually agreed. All investment transactions are settled or paid upon delivery with approved brokers. The risk of default is mitigated since the delivery of securities sold is made simultaneously with the broker receiving payment. Payment is made on a purchase once the securities have been received by the broker. The trade fails if either party fails to meet its obligations.

See additional discussion of credit risk in the Financial Risk Management Discussion following each Fund's financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Funds 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 ensures that sufficient cash reserves are available to meet forecasted cash outflows.

See additional discussion of liquidity risk in the Financial Risk Management Discussion following each Fund's financial statements.

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7. Financial risk management (continued)

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of its holdings of financial instruments. Each Fund's strategy for the management of market risk is driven by the Fund's investment objective.

(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.

See additional discussion of interest rate risk in the Financial Risk Management Discussion following each Fund's financial statements.

(ii) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Funds will fluctuate due to changes in foreign exchange rates.

Some Funds are exposed to currency risk through holding of investments, investment receivables and investment liabilities in various currencies. The Funds may use foreign currency contracts to hedge some foreign currency exposure on investment-related receivables and liabilities and engage in the buying and selling of currencies through the spot market, forward contracts, futures contracts, and/or options in order to achieve the desired currency exposure.

See additional discussion of currency risk in the Financial Risk Management Discussion following each Fund's financial statements.

(iii) Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

All financial instruments are subject to other price risk and a potential loss of capital. The maximum risk is determined by the market value of the financial instruments. The Funds may not sell short, borrow securities, or purchase securities on margin, which limits the potential loss of capital. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk.

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7. Financial risk management (continued)

(d) Market risk (continued)

(iii) Other price risk (continued)

Other market price risk arises from the Funds' investments in direct private equity, in direct private debt, and in unlisted private equity investee funds, whose valuation is based on the valuation of the underlying companies of those investee funds. The Funds invests in such financial assets in order to take advantage of their long-term growth opportunity. All investments present a risk of loss of capital. BCI management moderates this risk through careful selection of the investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid.

The Funds makes commitments to a diversified portfolio of private equity funds managed by managers with a strong track record. The Funds diversify their portfolio of investee funds across managers, underlying industries, countries and investment stages.

BCI management follows a rigorous investment due diligence process prior to making an investment decision. BCI management considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the underlying manager of the investee funds through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an investment agreement, gathered information is confirmed through reference checks or through BCI's standing data and experience.

See additional discussion of other price risk in the Financial Risk Management Discussion following each Fund's financial statements.

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 following each Fund's financial statements.

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8. Fair value of financial instruments (continued)

(b) Valuation models

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds use widely recognized valuation methods for determining the fair value of common and more simple financial instruments such as foreign currency contracts and money market instruments that use only observable market data which requires little management judgment and estimation. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exists and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, money market prices, and foreign currency exchange rates in estimating valuations of foreign currency contracts.

Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, such as private equity and debt, the Funds use proprietary valuation models, which are usually developed from recognized valuation methods. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates, or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Funds believe that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Funds and the counterparties where appropriate.

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8. Fair value of financial instruments (continued)

(c) Valuation framework

The Funds have an established framework with respect to the measurement of fair values. Where possible, for direct private equity and debt investments held by the Funds, external, independent valuation specialists are engaged annually to assist in the determination of fair value. In those circumstances where the Funds are reliant on a third party manager for the determination of fair value, BCI reviews the appropriateness of such valuations using audited financial statements of the underlying investments, and other information from the underlying third party manager or other sources.

In addition, BCI applies the following specific controls in relation to the determination of fair values:

- verification of observable pricing inputs;
- analysis and investigation of significant valuation movements; and
- review of unobservable inputs and valuation adjustments.

(d) Financial instruments not measured at fair value

The carrying value of 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.

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9. Taxes

Net cumulative capital losses and non-capital losses for each Fund are as follows:

Pooled Investment Portfolios (in \$000s)	As of December 31, 2018		As of December 31, 2017	
	Net Capital Losses	Non-capital Losses	Net Capital Losses	Non-capital Losses
Private Placement Fund 1996	170	126	170	67
Private Placement Fund 1997	185	-	185	-
Private Placement Fund 1998	94	170	94	-
Private Placement Fund 1999	35	-	35	-
Private Placement Fund 1999A	30	160	30	91
2000 Private Placement Fund	1,559	-	1,559	-
2001 Private Placement Fund	6	-	6	-
2002 Private Placement Fund	7	-	7	-
2003 Private Placement Fund	9	-	9	-
2004 Private Placement Fund	-	-	-	-
2005 Private Placement Fund	8	-	8	-
2006 Private Placement Fund	3,405	-	3,405	-
2007 Private Placement Fund	-	-	-	-
2008 Private Placement Fund	3,161	-	3,161	-
2009 Private Placement Fund	3	-	3	-
2010 Private Placement Fund	-	-	-	-
2011 Private Placement Fund	-	-	-	-
2012 Private Placement Fund	-	-	-	-
2013 Private Placement Fund	-	-	-	-
2014 Private Placement Fund	-	-	-	409
2015 Private Placement Fund	-	-	-	-
2016 Private Placement Fund	4	-	3	12,086
2017 Private Equity Fund	-	15,910	-	14,754
2018 Private Equity Fund	-	22,568	-	-

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9. Taxes (continued)

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income. The Funds' non-capital losses expire as follows:

Pooled Investment Portfolios (in \$000s)	Year of Expiry		
	2037	2038	Total
Private Placement Fund 1996	67	59	126
Private Placement Fund 1997	-	-	-
Private Placement Fund 1998	-	170	170
Private Placement Fund 1999	-	-	-
Private Placement Fund 1999A	91	69	160
2000 Private Placement Fund	-	-	-
2001 Private Placement Fund	-	-	-
2002 Private Placement Fund	-	-	-
2003 Private Placement Fund	-	-	-
2004 Private Placement Fund	-	-	-
2005 Private Placement Fund	-	-	-
2006 Private Placement Fund	-	-	-
2007 Private Placement Fund	-	-	-
2008 Private Placement Fund	-	-	-
2009 Private Placement Fund	-	-	-
2010 Private Placement Fund	-	-	-
2011 Private Placement Fund	-	-	-
2012 Private Placement Fund	-	-	-
2013 Private Placement Fund	-	-	-
2014 Private Placement Fund	-	-	-
2015 Private Placement Fund	-	-	-
2016 Private Placement Fund	-	-	-
2017 Private Equity Fund	14,754	1,156	15,910
2018 Private Equity Fund	-	22,568	22,568