



PUBLIC EQUITY

Pooled Fund Financial Statements

December 2019

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

PUBLIC EQUITY - POOLED INVESTMENT PORTFOLIOS

GROUP OF FUNDS

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

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

**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, 2019:

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

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

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

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

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

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer / Chief Investment Officer

[S] Lawrence E. Davis

Lawrence E. Davis
Senior Vice President, Finance



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INDEPENDENT AUDITORS' REPORT

To the unitholders of the following Equity Pooled Investment Portfolios:

Active Canadian Equity Fund
Active Canadian Small Cap Equity Fund
Canadian Quantitative Active Equity Fund
Indexed Canadian Equity Fund
Active U.S. Small Cap Equity Fund
Indexed U.S. Equity Fund
Active Asian Equity Fund
Active European Equity Fund
Active Global Equity Fund
Global Quantitative Active Equity Fund
Indexed Global Equity Fund
Active Emerging Markets Equity Fund
Indexed Emerging Markets Equity Fund
Thematic Public Equity Fund
Global Quantitative ESG 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, 2019.
- the statements of comprehensive income (loss) for the year then ended (period from inception on November 5, 2019 to December 31, 2019 for the Global Quantitative ESG 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 November 5, 2019 to December 31, 2019 for the Global Quantitative ESG Equity Fund only).
- the statements of cash flows for the year then ended (period from inception on November 5, 2019 to December 31, 2019 for the Global Quantitative ESG 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, 2019, and their financial performance and their cash flows for the year then ended (period from inception on November 5, 2019 to December 31, 2019 for the Global Quantitative ESG 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada

April 3, 2020

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 40,525	\$ 90,934
Receivable from sale of investments		-	11,572
Receivable from issuance of units		65	-
Dividends receivable		8,343	8,304
Security lending revenue receivable		29	28
Investments		4,981,052	4,139,893
		<u>5,030,014</u>	<u>4,250,731</u>
Liabilities			
Payable for purchase of investments		2,552	18,634
External management fees payable		2,009	1,666
BCI cost recoveries payable	4	6,712	5,732
Other accounts payable		24	17
Derivative liabilities:			
Options		-	15
		<u>11,297</u>	<u>26,064</u>
Net assets attributable to holders of redeemable units		<u>\$ 5,018,717</u>	<u>\$ 4,224,667</u>
<i>Number of redeemable units outstanding</i>	5	361.177	372.960
Net assets attributable to holders of redeemable units per unit		<u>\$ 13,895</u>	<u>\$ 11,327</u>

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 1,960	\$ 1,469
Dividend income		129,112	124,839
Securities lending income		423	341
Foreign exchange gain (loss)		(50)	29
Change in fair value of investments and derivatives:			
Net realized gain (loss)		(1,791)	8,823
Net change in unrealized appreciation		832,886	(431,791)
Total revenue (loss)		<u>962,540</u>	<u>(296,290)</u>
Expenses:			
BCI cost recoveries	4	4,792	5,334
External management fees		7,721	6,899
Administrative fees		89	51
Commissions and stock exchange fees		2,510	1,633
Total operating expenses		<u>15,112</u>	<u>13,917</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>947,428</u>	<u>(310,207)</u>
Distributions to holders of redeemable units:			
From net investment income		(118,844)	(109,738)
From net realized gains on investments and derivatives		-	(7,700)
		<u>(118,844)</u>	<u>(117,438)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 828,584</u>	<u>\$ (427,645)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 4,224,667	\$ 4,404,546
Increase (decrease) in net assets attributable to holders of redeemable units	828,584	(427,645)
Redeemable unit transactions:		
Proceeds from units issued	1,612,123	772,328
Reinvestment of distributions	118,844	117,438
Amounts paid for units redeemed	<u>(1,765,501)</u>	<u>(642,000)</u>
Net increase (decrease) from redeemable unit transactions	<u>(34,534)</u>	<u>247,766</u>
Balance, end of year	<u>\$ 5,018,717</u>	<u>\$ 4,224,667</u>

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 828,584	\$ (427,645)
Adjustments for:		
Foreign exchange loss (gain)	50	(29)
Interest income	(1,960)	(1,469)
Dividend income	(129,112)	(124,839)
Net realized loss (gain) from investments and derivatives	1,791	(8,823)
Net change in unrealized appreciation of investments and derivatives	(832,886)	431,791
Non cash distributions	118,844	117,438
Proceeds from sale of investments	1,917,948	1,742,913
Amounts paid for purchase of investments	(1,928,012)	(1,936,110)
Receivable from sale of investments	11,572	(8,486)
Net payable for variation on options	(15)	15
Security lending revenue receivable	(1)	11
Payable for purchase of investments	(16,082)	7,527
External management fees payable	343	(54)
BCI cost recoveries payable	980	658
Other accounts payable	7	6
Interest received	1,960	1,469
Dividends received	129,073	125,559
	<u>103,084</u>	<u>(80,068)</u>
Financing activities:		
Proceeds from issuance of redeemable units	1,612,058	772,328
Payments on redemption of redeemable units	<u>(1,765,501)</u>	<u>(642,000)</u>
	<u>(153,443)</u>	<u>130,328</u>
Net increase (decrease) in cash	(50,359)	50,260
Effect of exchange rate changes on cash	(50)	29
Cash, beginning of year	<u>90,934</u>	<u>40,645</u>
Cash, end of year	<u>\$ 40,525</u>	<u>\$ 90,934</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 4,952,468	\$ 3,724,819	\$ 4,112,210	\$ 3,717,418
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	28,584	28,619	27,683	27,747
Total Investments	\$ 4,981,052	\$ 3,753,438	\$ 4,139,893	\$ 3,745,165

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

Derivative Assets and Liabilities

as at December 31

(all amounts in thousands)

As at December 31, 2019, the Fund held no derivative financial instruments.

	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Options: Written	23,005	-	(15)

Derivative Assets and Liabilities (continued)

as at December 31

(all amounts in thousands)

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

	2019	2018
Less than 3 months	\$ -	\$ 23,005

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

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

The performance objective of the Fund is to exceed the return of the Fund's benchmark return on a risk-adjusted basis.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested in the securities of a single company;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and

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

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

As at December 31, 2019, the Fund held no derivative financial assets and derivative financial liabilities. The following were the contractual maturities of derivative financial assets and derivative financial liabilities as at December 31, 2018.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

Interest Rate Risk

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

Currency Risk

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 133,300	2.7 %	\$ 81,109	2.0 %
Consumer Staples	303,198	6.1 %	232,608	5.7 %
Energy	773,248	15.6 %	739,270	18.0 %
Financials	1,574,224	31.8 %	1,309,983	31.8 %
Health Care	75,736	1.5 %	14,012	0.3 %
Industrials	466,325	9.4 %	345,106	8.4 %
Information Technology	450,856	9.1 %	301,116	7.3 %
Materials	511,673	10.3 %	571,630	13.9 %
Real Estate	131,581	2.7 %	107,551	2.6 %
Telecommunication Services	345,245	7.0 %	285,849	7.0 %
Utilities	187,082	3.8 %	123,976	3.0 %
Total Equities	<u>\$ 4,952,468</u>	<u>100.0 %</u>	<u>\$ 4,112,210</u>	<u>100.0 %</u>

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

Other Price Risk (continued)

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$413,770,000 (2018 - \$383,656,000) or 8.2% (2018 - 9.1%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN EQUITY FUND

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

(in 000s)	December 31, 2019		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 4,952,468	\$ -	\$ 4,952,468
Money Market Funds	28,584	-	28,584
Total Investments	<u>\$ 4,981,052</u>	<u>\$ -</u>	<u>\$ 4,981,052</u>

(in 000s)	December 31, 2018		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
Public Equities	\$ 4,112,210	\$ -	\$ 4,112,210
Money Market Funds	27,683	-	27,683
Total Investments	<u>\$ 4,139,893</u>	<u>\$ -</u>	<u>\$ 4,139,893</u>

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	1	\$ 1,126,577	\$ 28,584

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	1	\$ 1,699,706	\$ 27,683

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 171	\$ 218
Receivable from sale of investments		301	73
Receivable from issuance of units		80	85
Dividends receivable		3,576	2,805
Security lending revenue receivable		26	77
Derivative assets:			
Swaps		-	752
Investments		1,673,156	1,083,259
		<u>1,677,310</u>	<u>1,087,269</u>
Liabilities			
Payable for purchase of investments		2,775	7,804
External management fees payable		536	513
BCI cost recoveries payable	4	2,894	2,436
Other accounts payable		15	11
Derivative liabilities:			
Swaps		-	69
		<u>6,220</u>	<u>10,833</u>
Net assets attributable to holders of redeemable units		<u>\$ 1,671,090</u>	<u>\$ 1,076,436</u>
<i>Number of redeemable units outstanding</i>	5	<i>784.090</i>	<i>583.524</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 2,131</u>	<u>\$ 1,845</u>

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 1,220	\$ 722
Dividend income		31,500	20,413
Securities lending income		538	1,016
Foreign exchange (loss) gain		(10)	6
Change in fair value of investments and derivatives:			
Net realized (loss) gain		(28,268)	31,496
Net change in unrealized appreciation		194,940	(235,509)
Total revenue (loss)		<u>199,920</u>	<u>(181,856)</u>
Expenses:			
BCI cost recoveries	4	2,841	2,348
External management fees		2,114	2,278
Administrative fees		39	31
Commissions and stock exchange fees		1,312	817
Total operating expenses		<u>6,306</u>	<u>5,474</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>193,614</u>	<u>(187,330)</u>
Distributions to holders of redeemable units:			
From net investment income		(28,254)	(15,525)
From net realized gains on investments		-	(31,704)
		<u>(28,254)</u>	<u>(47,229)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 165,360</u>	<u>\$ (234,559)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 1,076,436	\$ 913,111
Increase (decrease) in net assets attributable to holders of redeemable units	165,360	(234,559)
Redeemable unit transactions:		
Proceeds from units issued	491,740	350,655
Reinvestment of distributions	28,254	47,229
Amounts paid for units redeemed	(90,700)	-
Net increase from redeemable unit transactions	429,294	397,884
Balance, end of year	\$ 1,671,090	\$ 1,076,436

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 165,360	\$ (234,559)
Adjustments for:		
Foreign exchange loss (gain)	10	(6)
Interest income	(1,220)	(722)
Dividend income	(31,500)	(20,413)
Net realized loss (gain) from investments	28,268	(31,496)
Net change in unrealized appreciation of investments and derivatives	(194,940)	235,509
Amortization of premiums and discounts	(432)	(362)
Non cash distributions	28,254	47,229
Proceeds from sale of investments	1,140,697	801,230
Amounts paid for purchase of investments	(1,562,807)	(1,178,307)
Receivable from sale of investments	(228)	(73)
Security lending revenue receivable	51	98
Payable for purchase of investments	(5,029)	7,520
External management fees payable	23	(73)
BCI cost recoveries payable	458	278
Other accounts payable	4	8
Interest received	1,220	722
Dividends received	30,729	19,422
	<u>(401,082)</u>	<u>(353,995)</u>
Financing activities:		
Proceeds from issuance of redeemable units	491,745	351,235
Payments on redemption of redeemable units	(90,700)	-
	<u>401,045</u>	<u>351,235</u>
Net decrease in cash	(37)	(2,760)
Effect of exchange rate changes on cash	(10)	6
Cash, beginning of year	218	2,972
Cash, end of year	\$ 171	\$ 218

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,612,034	\$ 1,389,827	\$ 1,014,304	\$ 988,249
Investment Fund Investment ¹	-	-	22,790	22,254
	<u>1,612,034</u>	<u>1,389,827</u>	<u>1,037,094</u>	<u>1,010,503</u>
Money Market Investments:				
Corporate	27,979	27,979	16,909	16,909
Units in BCI Pooled Investment Portfolio:				
Fund ST1	33,143	33,169	18,816	18,840
Floating Rate Funds:				
Units in BCI Pooled Investment Portfolio:				
CDOR 1 Floating Rate Fund	-	-	10,440	10,449
Total Investments	<u>\$ 1,673,156</u>	<u>\$ 1,450,975</u>	<u>\$ 1,083,259</u>	<u>\$ 1,056,701</u>

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

As at December 31, 2019, the Fund held no derivative financial instruments.

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

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

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

	December 31 2019	December 31 2018
Less than 3 months	\$ -	\$ 9,899

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

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

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested in the securities of one company;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. As at December 31, 2019, the Fund is not exposed to credit risk from derivative financial instruments. The credit risk exposure of swap instruments, by credit rating category, without taking account of any collateral held at December 31, 2018 is as follows:

	2019			2018		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
A	-	-	-	9,899	752	(69)
	-	-	-	9,899	752	(69)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

Liquidity Risk

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

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

The Fund held no derivative financial assets and derivative financial liabilities as at December 31, 2019. The following were the contractual maturities of derivative financial assets and derivative financial liabilities as at December 31, 2018:

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

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 229,875	14.4 %	\$ 106,913	10.6 %
Consumer Staple	167,350	10.4 %	101,107	10.0 %
Energy	203,135	12.6 %	164,031	16.2 %
Financial Services	169,189	10.5 %	74,767	7.4 %
Health Care	32,606	2.0 %	19,738	1.9 %
Industrial Products	424,021	26.2 %	252,500	24.8 %
Information Technology	75,389	4.7 %	77,214	7.6 %
Materials and Processing	151,826	9.4 %	146,937	14.5 %
Real Estate	158,643	9.8 %	71,097	7.0 %
Total Equities	<u>\$ 1,612,034</u>	<u>100.0 %</u>	<u>\$ 1,014,304</u>	<u>100.0 %</u>

As at December 31, 2019 and 2018, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$84,367,000 (2018 - \$68,149,000) or 5.0% (2018 – 6.3%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

(in 000s)	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 1,612,034	\$ -	\$ 1,612,034
Money Market Investments	-	27,979	27,979
Money Market Funds	33,143	-	33,143
Total Investments	<u>\$ 1,645,177</u>	<u>\$ 27,979</u>	<u>\$ 1,673,156</u>

(in 000s)	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 1,014,304	\$ -	\$ 1,014,304
Investment Fund Investment	-	22,790	22,790
Money Market Investments	-	16,909	16,909
Money Market Funds	18,816	-	18,816
Floating Rate Funds	10,440	-	10,440
Total Investments	<u>\$ 1,043,560</u>	<u>\$ 39,699</u>	<u>\$ 1,083,259</u>
Swaps, Net	-	683	683
Total	<u>\$ 1,043,560</u>	<u>\$ 40,382</u>	<u>\$ 1,083,942</u>

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

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE CANADIAN SMALL CAP EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third-party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	1	\$ 1,126,577	\$ 33,143

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 14,550,157	\$ 29,256
Investee fund administered by external manager	1	4,222,960	22,790

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 150	\$ 79
Dividends receivable		2,977	1,759
Security lending revenue receivable		7	7
Investments		<u>920,378</u>	<u>2,909,388</u>
		<u>923,512</u>	<u>2,911,233</u>
Liabilities			
BCI cost recoveries payable	4	5,130	4,810
Other accounts payable		<u>15</u>	<u>11</u>
		<u>5,145</u>	<u>4,821</u>
Net assets attributable to holders of redeemable units		<u>\$ 918,367</u>	<u>\$ 2,906,412</u>
<i>Number of redeemable units outstanding</i>	5	<i>214.128</i>	<i>814.528</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 4,289</u>	<u>\$ 3,568</u>

Statement of Comprehensive Income/(Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 100	\$ 69
Investment fund distribution		108,004	-
Dividend income		56,224	15,872
Securities lending income		230	78
Foreign exchange (loss) gain		(7)	3
Change in fair value of investments:			
Net realized gain		95,413	17,373
Net change in unrealized appreciation		<u>155,199</u>	<u>(344,876)</u>
Total revenue (loss)		<u>415,163</u>	<u>(311,481)</u>
Expenses:			
BCI cost recoveries	4	3,126	3,122
Administrative fees		42	38
Commissions and stock exchange fees		<u>117</u>	<u>125</u>
Total operating expenses		<u>3,285</u>	<u>3,285</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>411,878</u>	<u>(314,766)</u>
Distributions to holders of redeemable units:			
From net investment income		(160,165)	(8,566)
From net realized gains on investments		<u>(123,740)</u>	<u>(5,895)</u>
		<u>(283,905)</u>	<u>(14,461)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 127,973</u>	<u>\$ (329,227)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 2,906,412	\$ 3,221,178
Increase (decrease) in net assets attributable to holders of redeemable units	127,973	(329,227)
Redeemable unit transactions:		
Proceeds from units issued	363,500	520,500
Reinvestment of distributions	283,905	14,461
Amounts paid for units redeemed	(2,763,423)	(520,500)
Net (decrease) increase from redeemable unit transactions	(2,116,018)	14,461
Balance, end of year	\$ 918,367	\$ 2,906,412

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 127,973	\$ (329,227)
Adjustments for:		
Foreign exchange loss (gain)	7	(3)
Dividend income	(56,224)	(15,872)
Net realized gain from investments	(95,413)	(17,373)
Net change in unrealized appreciation of investments	(155,199)	344,876
Non cash distributions	283,905	14,461
Proceeds from sale of investments	3,146,471	309,983
Amounts paid for purchase of investments	(906,849)	(322,818)
Security lending revenue receivable	-	(3)
BCI cost recoveries payable	320	388
Other accounts payable	4	8
Dividends received	55,006	15,609
	<u>2,400,001</u>	<u>29</u>
Financing activities:		
Proceeds from issuance of redeemable units	363,500	520,500
Payments on redemption of redeemable units	(2,763,423)	(520,500)
	<u>(2,399,923)</u>	<u>-</u>
Net increase in cash	78	29
Effect of exchange rate changes on cash	(7)	3
Cash, beginning of year	79	47
Cash, end of year	\$ 150	\$ 79

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 912,541	\$ 809,447	\$ 464,020	\$ 443,334
Investment Fund Investment	<u>2,898</u>	<u>5,149</u>	<u>2,441,849</u>	<u>2,516,894</u>
	915,439	814,596	2,905,869	2,960,228
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	<u>4,939</u>	<u>4,952</u>	<u>3,519</u>	<u>3,529</u>
Total Investments	<u>\$ 920,378</u>	<u>\$ 819,548</u>	<u>\$ 2,909,388</u>	<u>\$ 2,963,757</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

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

The Canadian Quantitative Active Equity Fund (the "Fund") invests in a portfolio of actively managed Canadian securities and international stocks. The Fund differs from the Active Canadian Equity Fund in that it relies on financial modelling to identify and rank under- or over-valued securities. The Fund is also permitted to employ derivatives to a greater extent than other Funds to manage risks and exposures, including their use to take short positions on over-valued securities and leverage to enhance exposure to under-valued securities. The Fund's benchmark is the S&P/TSX Capped Composite Index (the "Index"). The Fund's objective is to exceed the benchmark return on a risk-adjusted basis.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested, long or short, in the securities of a single company;
- the Fund may maintain short positions on Canadian and international common stock or common stock equivalents with a market value of up to 35% of the net asset value of the Fund;

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

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

At December 31, 2019, the Fund holds net assets denominated in U.S. currency totalling \$200,000 Cdn which represents 0.02% of the net asset value of the Fund. As at December 31, 2019, if the Canadian dollar had strengthened/ weakened by 1% in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$2,000. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2018, the Fund was not exposed to significant currency risk since the Fund's assets and liabilities are denominated in Canadian dollars.

As at December 31, 2018 and 2019, the Fund has indirect exposure to currency risk through its investment in the Investment Fund, whose underlying investments are susceptible to currency risk. Such indirect exposure is managed by the external manager in conjunction with their investment level decisions.

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 40,029	4.4 %	\$ 18,631	3.8 %
Consumer Staples	35,979	3.9 %	20,590	4.4 %
Energy	159,616	17.5 %	80,499	17.3 %
Financials	290,247	31.8 %	57,061	12.4 %
Health Care	16,306	1.8 %	8,613	1.9 %
Industrial Products	105,244	11.5 %	47,642	10.3 %
Information Technology	55,230	6.1 %	19,878	4.3 %
Materials	100,061	11.0 %	56,450	12.2 %
Telecommunication Services	45,099	4.9 %	27,779	6.0 %
Utilities	38,847	4.3 %	21,125	4.6 %
Real Estate	25,883	2.8 %	105,752	22.8 %
Total Equities	\$ 912,541	100.0 %	\$ 464,020	100.0 %

Financial Risk Management Discussion (continued)
as at December 31

As at December 31, 2019 and 2018, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$81,884,000 (2018 - \$43,976,000) or 8.9% (2018 - 1.5%) of net assets attributable to redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

The Fund is also subject to other price risk through its investment in the Investment Fund. The external manager utilizes risk parity and asset diversification to moderate this risk. The expected impact on the net assets of the Fund of a 10% increase/decrease in the value of the investment fund over the next year, would be an increase/decrease, respectively of \$290,000 (2018 - \$244,185,000) or 0.03% (2018 - 8.4%) of net assets attributable to redeemable units.

Equity by Geographic Region

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 912,541	\$ -	\$ 912,541
Investment Fund Investment	-	2,898	2,898
Money Market Funds	4,939	-	4,939
Total Investments	<u>\$ 917,480</u>	<u>\$ 2,898</u>	<u>\$ 920,378</u>

	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 464,020	\$ -	\$ 464,020
Investment Fund Investment	-	2,441,849	2,441,849
Money Market Funds	3,519	-	3,519
Total Investments	<u>\$ 467,539</u>	<u>\$ 2,441,849</u>	<u>\$ 2,909,388</u>

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third-party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	1	\$ 1,126,577	\$ 4,939
Investee fund administered by external manager	1	2,898	2,898

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	1	\$ 1,669,706	\$ 3,519
Investee fund administered by external manager	1	2,441,849	2,441,849

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 1,973	\$ 2,233
Receivable from sale of investments		-	196,219
Receivable from issuance of units		86,900	301,000
Dividends receivable		7,758	8,969
Security lending revenue receivable		138	108
Derivative assets:			
Futures		-	66
Swaps		4,497	12,874
Investments		<u>4,662,209</u>	<u>3,579,857</u>
		<u>4,763,475</u>	<u>4,101,326</u>
Liabilities			
Payable for purchase of investments		2,399	22,994
Payable for redemption of units		86,900	481,000
BCI cost recoveries payable	4	3,553	3,152
Accounts payable		38	29
Derivative liabilities:			
Futures		22	-
Swaps		<u>4,490</u>	<u>37,000</u>
		<u>97,402</u>	<u>544,175</u>
Net assets attributable to holders of redeemable units		<u>\$ 4,666,073</u>	<u>\$ 3,557,151</u>
<i>Number of redeemable units outstanding</i>	5	<i>502.268</i>	<i>471.740</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 9,290</u>	<u>\$ 7,540</u>

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 23,668	\$ 11,446
Dividend income		72,129	152,127
Securities lending income		3,091	3,478
Futures income (loss)		2,204	(6,277)
Foreign exchange gain (loss)		(42)	130
Change in fair value of investments and derivatives:			
Net realized gain		676,305	826,388
Net change in unrealized appreciation		<u>7,537</u>	<u>(1,437,293)</u>
Total revenue (loss)		<u>784,892</u>	<u>(450,001)</u>
Expenses:			
BCI cost recoveries	4	4,118	4,587
Administrative fees		123	96
Commissions and stock exchange fees		<u>148</u>	<u>574</u>
Total operating expenses		<u>4,389</u>	<u>5,257</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>780,503</u>	<u>(455,258)</u>
Distributions to holders of redeemable units:			
From net investment income		(96,809)	(154,051)
From net realized gains on investments		<u>(679,792)</u>	<u>(837,917)</u>
		<u>(776,601)</u>	<u>(991,968)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 3,902</u>	<u>\$ (1,447,226)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 3,557,151	\$ 7,773,274
Increase (decrease) in net assets attributable to holders of redeemable units	3,902	(1,447,226)
Redeemable unit transactions:		
Proceeds from units issued	5,063,506	1,130,133
Reinvestment of distributions	776,601	991,968
Amounts paid for units redeemed	(4,735,087)	(4,890,998)
Net increase (decrease) from redeemable unit transactions	1,105,020	(2,768,897)
Balance, end of year	\$ 4,666,073	\$ 3,557,151

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 3,902	\$ (1,447,226)
Adjustments for:		
Foreign exchange loss (gain)	42	(130)
Interest income	(23,668)	(11,446)
Dividend income	(72,129)	(152,127)
Net realized gain from investments and derivatives	(676,305)	(826,388)
Net change in unrealized appreciation of investments and derivatives	(7,537)	1,437,293
Non cash distributions	776,601	991,968
Proceeds from sale of investments	12,309,225	9,415,899
Amounts paid for purchase of investments	(12,556,244)	(6,002,234)
Net variation on futures	88	2,143
Security lending revenue receivable	(30)	287
BCI cost recoveries payable	401	240
Accounts payable	9	11
Interest received	23,668	11,446
Dividends received	73,340	161,590
	<u>(148,637)</u>	<u>3,581,326</u>
Financing activities:		
Proceeds from issuance of redeemable units	5,277,606	829,133
Payments on redemption of redeemable units	(5,129,187)	(4,409,998)
	<u>148,419</u>	<u>(3,580,865)</u>
Net (decrease) increase in cash	(218)	461
Effect of exchange rate changes on cash	(42)	130
Cash, beginning of year	2,233	1,642
Cash, end of year	\$ 1,973	\$ 2,233

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	\$ 2,839,693	\$ 2,726,720	\$ 2,653,498	\$ 2,524,478
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	7,437	7,442	5,888	5,894
Floating Rate Funds:				
Units in BCI Pooled Investment Portfolio:				
CDOR 1 Floating Rate Fund	<u>1,815,079</u>	<u>1,816,826</u>	<u>920,471</u>	<u>921,668</u>
Total Investments	<u>\$ 4,662,209</u>	<u>\$ 4,550,988</u>	<u>\$ 3,579,857</u>	<u>\$ 3,452,040</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED CANADIAN EQUITY FUND

Derivative Assets and Liabilities

as at December 31
(all amounts in thousands)

	2019		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
Listed			
Futures	\$ 13,006	\$ -	\$ (22)
OTC			
Swaps	2,717,921	4,497	(4,490)
Total	\$ 2,730,927	\$ 4,497	\$ (4,512)

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

Derivative Assets and Liabilities (continued)

as at December 31
(all amounts in thousands)

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

	December 31 2019	December 31 2018
Less than 3 months	\$ 1,654,158	\$ 1,120,836
3 to 12 months	1,076,769	190,673
Total	\$ 2,730,927	\$ 1,311,509

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

The Indexed Canadian Equity Fund (the "Fund") has broad exposure to domestic stocks and provides participating clients with similar risk and return characteristics as the Fund's benchmark. The Fund's benchmark is the S&P/TSX Composite Index (the "Index"). The Fund holds companies and sectors roughly in proportion to their weighting in the Index. The objective of the Pool is to replicate the returns of the Index.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

The Fund uses derivative financial instruments to replicate equity investment returns of selected long and short equity positions through synthetic exposure.

Credit Risk

The Fund invests in swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of derivative instruments (excluding listed derivative instruments), by credit rating category, without taking account of any collateral held at December 31 is as follows:

	2019			2018		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 1,494,018	\$ 1,048	\$ (3,623)	\$ 182,269	\$ 1,013	\$ (383)
A	1,223,903	3,449	(867)	1,118,095	11,861	(36,617)
	<u>\$ 2,717,921</u>	<u>\$ 4,497</u>	<u>\$ (4,490)</u>	<u>\$ 1,300,364</u>	<u>\$ 12,874</u>	<u>\$ (37,000)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

Liquidity Risk

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

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

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2019			
	Carrying Value	Less than 3		Total
		months	3 to 12 months	
Derivative assets	\$ 4,497	\$ 3,659	\$ 838	\$ 4,497
Derivative liabilities	(4,512)	(2,696)	(1,816)	(4,512)
	<u>\$ (15)</u>	<u>\$ 963</u>	<u>\$ (978)</u>	<u>\$ (15)</u>

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

Interest Rate Risk

The Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates as fixed income instruments held within the CDOR 1 Floating Rate Fund are floating rate instruments and the Fund's remaining financial assets and liabilities are non-interest bearing.

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

Currency Risk

The Fund holds net assets denominated in U.S. and Japanese currencies, amounting to \$200,561,000 CAD and \$1,389,000 CAD, respectively, which in total represents 4.33% of the net asset value of the Fund (2018 - U.S. currency, amounting to \$1,081,000 CAD which represented 0.03% of the net asset value of the Fund). As at December 31, 2019, if the Canadian dollar had strengthened/weakened by 1% in relation to the U.S. and Japanese currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$2,020,000 (2018 - \$11,000 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 121,156	4.2 %	\$ 115,323	4.4 %
Consumer Staple	103,901	3.7 %	104,527	3.9 %
Energy	450,932	15.9 %	452,305	17.0 %
Financial Services	843,780	29.7 %	838,484	31.6 %
Health Care	34,244	1.2 %	28,654	1.1 %
Industrial Products	328,413	11.6 %	292,290	11.0 %
Information Technology	143,202	5.0 %	111,515	4.2 %
Materials and Processing	348,305	12.3 %	318,256	12.0 %
Real Estate	161,095	5.7 %	113,754	4.3 %
Telecommunication Services	138,713	4.9 %	149,312	5.6 %
Utilities	165,952	5.8 %	129,078	4.9 %
Total Equities	<u>\$ 2,839,693</u>	<u>100.0 %</u>	<u>\$ 2,653,498</u>	<u>100.0 %</u>

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$407,118,000 (2018 - \$396,668,000) or 8.7% (2018 - 11.2%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

(in 000s)	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 2,839,693	\$ -	\$ 2,839,693
Floating Rate Funds	1,815,079	-	1,815,079
Money Market Funds	7,437	-	7,437
Total Investments	<u>\$ 4,662,209</u>	<u>\$ -</u>	<u>\$ 4,662,209</u>
Futures Contracts, Net	(22)	-	(22)
Swaps, Net	-	7	7
Total	<u>\$ 4,662,187</u>	<u>\$ 7</u>	<u>\$ 4,662,194</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED CANADIAN EQUITY FUND

Fair Value Measurement Discussion (continued)
as at December 31

(in 000s)	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 2,653,498	\$ -	\$ 2,653,498
Floating Rate Funds	920,471	-	920,471
Money Market Funds	5,888	-	5,888
Total Investments	\$ 3,579,857	\$ -	\$ 3,579,857
Futures Contracts, Net	66	-	66
Swaps, Net	-	(24,126)	(24,126)
Total	\$ 3,579,923	\$ (24,126)	\$ 3,555,797

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

Involvement with Structured Entities
as at December 31

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third-party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 21,707,211	\$ 1,822,516

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 14,550,157	\$ 926,359

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 6,563	\$ 8,597
Receivable from sale of investments		14,234	72
Receivable from issuance of units		265	210
Dividends receivable		912	706
Security lending revenue receivable		93	118
Investments		2,012,906	1,324,586
		<u>2,034,973</u>	<u>1,334,289</u>
Liabilities			
Payable for purchase of investments		14,218	413
External management fees payable		2,574	2,107
BCI cost recoveries payable	4	5,488	4,556
Other accounts payable		18	14
		<u>22,298</u>	<u>7,090</u>
Net assets attributable to holders of redeemable units		<u>\$ 2,012,675</u>	<u>\$ 1,327,199</u>
<i>Number of redeemable units outstanding</i>	5	454.564	376.556
Net assets attributable to holders of redeemable units per unit		<u>\$ 4,428</u>	<u>\$ 3,525</u>

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 1,035	\$ 2,946
Dividend income		13,990	9,409
Securities lending income		752	666
Foreign exchange gain (loss)		(2,036)	2,301
Change in fair value of investments:			
Net realized gain		126,661	138,318
Net change in unrealized appreciation		230,218	(109,097)
Total revenue		<u>370,620</u>	<u>44,543</u>
Expenses:			
BCI cost recoveries	4	3,934	2,593
External management fees		9,493	7,342
Administrative fees		43	39
Commissions and stock exchange fees		479	710
Total operating expenses		<u>13,949</u>	<u>10,684</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>356,671</u>	<u>33,859</u>
Distributions to holders of redeemable units:			
From net investment income		(340)	(1,562)
From net realized gains on investments		(125,853)	(137,610)
		<u>(126,193)</u>	<u>(139,172)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 230,478</u>	<u>\$ (105,313)</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 1,327,199	\$ 1,104,247
Increase (decrease) in net assets attributable to holders of redeemable units	230,478	(105,313)
Redeemable unit transactions:		
Proceeds from units issued	364,805	189,093
Reinvestment of distributions	126,193	139,172
Amounts paid for units redeemed	(36,000)	-
Net increase from redeemable unit transactions	454,998	328,265
Balance, end of year	\$ 2,012,675	\$ 1,327,199

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 230,478	\$ (105,313)
Adjustments for:		
Foreign exchange loss (gain)	2,036	(2,301)
Interest income	(1,035)	(2,946)
Dividend income	(13,990)	(9,409)
Net realized gain from investments	(126,661)	(138,318)
Net change in unrealized appreciation of investments	(230,218)	109,097
Amortization of premiums and discounts	(686)	(527)
Non cash distributions	126,193	139,172
Proceeds from sale of investments	963,672	1,151,558
Amounts paid for purchase of investments	(1,294,427)	(1,346,964)
Receivable from sale of investments	(14,162)	4,072
Security lending revenue receivable	25	(30)
Payable for purchase of investments	13,805	205
External management fees payable	467	465
BCI cost recoveries payable	932	788
Other accounts payable	4	2
Interest received	1,035	2,946
Dividends received	13,784	9,267
	<u>(328,748)</u>	<u>(188,236)</u>
Financing activities:		
Proceeds from issuance of redeemable units	364,750	188,943
Payments on redemption of redeemable units	(36,000)	-
	<u>328,750</u>	<u>188,943</u>
Net increase in cash	2	707
Effect of exchange rate changes on cash	(2,036)	2,301
Cash, beginning of year	8,597	5,589
Cash, end of year	\$ 6,563	\$ 8,597

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE U.S. SMALL CAP EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 1,818,263	\$ 1,466,450	\$ 1,297,362	\$ 1,171,745
Exchange Traded Funds	156,767	151,505	-	-
Money Market Investments:				
Corporate	34,182	34,785	26,529	25,978
Units in BCI Pooled Investment Portfolio:				
Fund ST1	17	17	103	103
Fund ST3	3,677	3,745	592	574
	<u>37,876</u>	<u>38,547</u>	<u>27,224</u>	<u>26,655</u>
Total Investments	<u>\$ 2,012,906</u>	<u>\$ 1,656,502</u>	<u>\$ 1,324,586</u>	<u>\$ 1,198,400</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

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

The Active U.S. Small Cap Equity Fund (the "Fund") invests in a portfolio of actively managed U.S. equity investments in companies with smaller capitalization. The Fund provides clients with a diversity of active management investment styles, exposure to a variety of market outlooks, and exposure to the various segments of U.S. small cap equity markets. The Fund's objective is to exceed the benchmark return on the Russell 2000 Total Return Index (the "Index") on a risk-adjusted basis.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- No more than 10% of the market value of the Fund can be invested in the securities of one company;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

Currency Risk

The Fund holds assets denominated in U.S. currency totalling \$2,020,423,000 CAD which represents 100.4% of the net asset value of the Fund (2018 - \$1,333,563,000 CAD which represented 100.5% of the net asset value of the Fund). As at December 31, 2019, if the Canadian dollar had strengthened/ weakened by 1% in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$20,204,230 CAD (2018 - \$13,335,630 CAD). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 384,408	21.1 %	\$ 273,845	21.0 %
Consumer Staples	11,135	0.6 %	8,532	0.7 %
Energy	3,895	0.2 %	9,189	0.7 %
Financials	269,680	14.8 %	212,220	16.4 %
Health Care	221,198	12.2 %	161,802	12.5 %
Industrials	388,680	21.4 %	281,463	21.7 %
Information Technology	397,008	21.8 %	279,386	21.5 %
Materials	48,222	2.7 %	21,501	1.7 %
Real Estate	59,435	3.3 %	28,780	2.2 %
Telecommunication Services	28,524	1.6 %	20,644	1.6 %
Utilities	6,078	0.3 %	-	- %
Total Public Equities	<u>\$ 1,818,263</u>	<u>100.0 %</u>	<u>\$ 1,297,362</u>	<u>100.0 %</u>

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$175,053,000 (2018 - \$125,725,000) or 0.8% (2018 - 9.5%) of net assets attributable to redeemable units.

The Fund is also subject to other price risk through its investment in exchange traded funds. Had the exchange traded funds held by the Fund increased or decreased by 10%, net assets attributable to redeemable units would have increased or decreased, respectively, by approximately \$15,677,000, or 0.8% of net assets attributable to redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE U.S. SMALL CAP EQUITY FUND

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,818,263	\$ -	\$ 1,818,263
Exchange Traded Funds	156,767	-	156,767
Money Market Investments	-	34,182	34,182
Money Market Funds	3,694	-	3,694
Total Investments	<u>\$ 1,978,724</u>	<u>\$ 34,182</u>	<u>\$ 2,012,906</u>

	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,297,362	\$ -	\$ 1,297,362
Money Market Investments	-	26,529	26,529
Money Market Funds	695	-	695
Total Investments	<u>\$ 1,298,057</u>	<u>\$ 26,529</u>	<u>\$ 1,324,586</u>

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	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	\$ 1,830,925	\$ 3,694

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	\$ 695

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 2,373	\$ 5,054
Receivable from sale of investments		19,433	176,655
Dividends receivable		4,397	3,815
Security lending revenue receivable		19	12
Derivative assets:			
Swaps		50,978	20,556
Investments		5,696,023	3,751,007
		<u>5,773,223</u>	<u>3,957,099</u>
Liabilities			
Payable for purchase of investments		-	181,421
BCI cost recoveries payable	4	9,200	8,644
Other accounts payable		63	50
Derivative liabilities:			
Foreign currency contracts		-	333
Swaps		84,967	5,474
		<u>94,230</u>	<u>195,922</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 5,678,993</u></u>	<u><u>\$ 3,761,177</u></u>
<i>Number of redeemable units outstanding</i>	5	402.805	333.942
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 14,099</u></u>	<u><u>\$ 11,263</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 51,117	\$ 22,151
Dividend income		41,455	59,845
Securities lending income		1,895	231
Futures income		-	898
Foreign exchange loss		(13,161)	(4,934)
Change in fair value of investments and derivatives:			
Net realized gain		870,996	2,015,631
Net change in unrealized appreciation		70,871	(1,798,333)
Total revenue		<u>1,023,173</u>	<u>295,489</u>
Expenses:			
BCI cost recoveries	4	2,240	2,724
Administrative fees		167	127
Commissions and stock exchange fees		91	319
Total operating expenses		<u>2,498</u>	<u>3,170</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>1,020,675</u>	<u>292,319</u>
Distributions to holders of redeemable units:			
From net investment income		(78,898)	(67,316)
From net realized gains on investments and derivatives		(889,705)	(2,021,879)
		<u>(968,603)</u>	<u>(2,089,195)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 52,072</u></u>	<u><u>\$ (1,796,876)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 3,761,177	\$ 7,030,176
Increase (decrease) in net assets attributable to holders of redeemable units	52,072	(1,796,876)
Redeemable unit transactions:		
Proceeds from units issued	1,406,679	634,740
Reinvestment of distributions	968,603	2,089,195
Amounts paid for units redeemed	(509,538)	(4,196,058)
Net increase (decrease) from redeemable unit transactions	1,865,744	(1,472,123)
Balance, end of year	\$ 5,678,993	\$ 3,761,177

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 52,072	\$ (1,796,876)
Adjustments for:		
Foreign exchange loss	13,161	4,934
Interest income	(51,117)	(22,151)
Dividend income	(41,455)	(59,845)
Net realized gain from investments and derivatives	(870,996)	(2,015,631)
Net change in unrealized appreciation of investments and derivatives	(70,871)	1,798,333
Non cash distributions	968,603	2,089,195
Proceeds from sale of investments	10,354,003	9,955,940
Amounts paid for purchase of investments	(11,308,414)	(6,480,083)
Receivable from sale of investments	157,222	(176,655)
Net receivable/payable for variation on futures	-	706
Security lending revenue receivable	(7)	42
Payable for purchase of investments	(181,421)	178,900
BCI cost recoveries payable	556	387
Other accounts payable	13	29
Interest received	51,117	22,151
Dividends received	40,873	63,128
	(886,661)	3,562,504
Financing activities:		
Proceeds from issuance of redeemable units	1,406,679	634,740
Payments on redemption of redeemable units	(509,538)	(4,196,058)
	897,141	(3,561,318)
Net increase in cash	10,480	1,186
Effect of exchange rate changes on cash	(13,161)	(4,934)
Cash, beginning of year	5,054	8,802
Cash, end of year	\$ 2,373	\$ 5,054

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 4,598,977	\$ 4,364,048	\$ 2,878,740	\$ 2,768,847
Floating Rate Funds:				
Units in BCI Pooled Investment Portfolio:				
CDOR 1 Floating Rate Fund	1,097,046	1,097,247	725,136	726,278
LIBOR Floating Rate Fund	-	-	147,131	141,096
	<u>1,097,046</u>	<u>1,097,247</u>	<u>872,267</u>	<u>867,374</u>
Total Investments	<u><u>\$ 5,696,023</u></u>	<u><u>\$ 5,461,295</u></u>	<u><u>\$ 3,751,007</u></u>	<u><u>\$ 3,636,221</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED U.S. EQUITY FUND

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

	2019		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 2,992,854	\$ 50,978	\$ (84,967)
Total	\$ 2,992,854	\$ 50,978	\$ (84,967)

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

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

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

	December 31 2019	December 31 2018
Less than 3 months	\$ 2,992,854	\$ 1,019,803
Total	\$ 2,992,854	\$ 1,019,803

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

The Indexed U.S. Equity Fund (the "Fund") has broad exposure to the largest companies in the United States and provides participating clients with similar risk and return characteristics as the Fund's benchmark. The Fund's benchmark is the Morgan Stanley Capital International United States of America ("MSCI USA") Total Return Index (the "Index"). The Fund holds companies and sectors in proportion to their weighting in the benchmark, subject to the exclusion of certain securities. The objective of the Fund is to replicate the returns of the Index.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund must not borrow money or derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's, or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of swap instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

	2019			2018		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	1,291,190	45,733	(6,517)	465,413	17,056	(5,134)
A	1,701,664	5,245	(78,450)	371,180	3,500	(673)
	<u>2,992,854</u>	<u>50,978</u>	<u>(84,967)</u>	<u>836,593</u>	<u>20,556</u>	<u>(5,807)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

Liquidity Risk

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

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

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2019			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 50,978	\$ 50,978	\$ -	\$ 50,978
Derivative liabilities	(84,967)	(84,967)	-	(84,967)
	<u>\$ (33,989)</u>	<u>\$ (33,989)</u>	<u>\$ -</u>	<u>\$ (33,989)</u>

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

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

Currency Risk

At December 31, 2019, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY (in 000s)	2019			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Japanese Yen	51,848	(51,009)	839	- %
United States Dollar	5,773,441	-	5,773,441	101.7 %
Net Foreign Exchange Exposure	<u>\$ 5,825,289</u>	<u>\$ (51,009)</u>	<u>\$ 5,774,280</u>	<u>101.7 %</u>

As at December 31, 2018, the Fund held net assets, including foreign currency contracts, denominated in U.S. currency totalling \$3,135,505,000 CAD which represented 83.4% of the net asset value of the Fund.

As at December 31, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$57,743,000 (2018 - \$31,355,000), representing 1.0% of the Fund's net assets (2018 - 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
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 456,661	9.8 %	\$ 296,847	10.4 %
Consumer Staple	319,445	6.9 %	209,306	7.3 %
Energy	192,816	4.2 %	151,606	5.3 %
Financial Services	593,802	12.9 %	375,795	13.1 %
Health Care	647,784	14.1 %	441,346	15.3 %
Industrial Products	412,228	9.0 %	263,361	9.1 %
Information Technology	1,075,195	23.4 %	582,351	20.2 %
Materials and Processing	121,884	2.7 %	78,799	2.7 %
Real Estate	152,365	3.3 %	90,532	3.1 %
Telecommunication Services	477,154	10.4 %	292,515	10.2 %
Utilities	149,643	3.3 %	96,282	3.3 %
Total Equities	<u>\$ 4,598,977</u>	<u>100.0 %</u>	<u>\$ 2,878,740</u>	<u>100.0 %</u>

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$570,484,000 (2018 - \$370,324,000) or 10.0% (2018 - 9.8%) of net assets.

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

Fair Value Measurement Discussion
as at December 31

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

(in 000s)	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 4,598,977	\$ -	\$ 4,598,977
Floating Rate Funds	1,097,046	-	1,097,046
Total Investments	\$ 5,696,023	\$ -	\$ 5,696,023
Swaps, Net	-	(33,989)	(33,989)
Total	<u>\$ -</u>	<u>\$ (33,989)</u>	<u>\$ 5,662,034</u>

(in 000s)	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 2,878,740	\$ -	\$ 2,878,740
Floating Rate Funds	872,267	-	872,267
Total Investments	\$ 3,751,007	\$ -	\$ 3,751,007
Swaps, Net	-	15,082	15,082
Futures Contracts, Net	-	(333)	(333)
Total	<u>\$ 3,751,007</u>	<u>\$ 14,749</u>	<u>\$ 3,765,756</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED U.S. EQUITY FUND

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

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	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 floating rate funds administered by BCI	1	\$ 20,580,634	\$ 1,097,046

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 13,113,059	\$ 872,267

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 23,638	\$ 12,951
Dividends receivable		4,277	2,499
Security lending revenue receivable		12	10
Withholding tax reclaims receivable		174	60
Investments		<u>2,207,751</u>	<u>1,897,274</u>
		<u>2,235,852</u>	<u>1,912,794</u>
Liabilities			
External management fees payable		2,344	3,474
BCI cost recoveries payable	4	13,652	12,377
Other accounts payable		<u>231</u>	<u>227</u>
		<u>16,227</u>	<u>16,078</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,219,625</u></u>	<u><u>\$ 1,896,716</u></u>
<i>Number of redeemable units outstanding</i>	5	504.472	504.472
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 4,400</u></u>	<u><u>\$ 3,760</u></u>

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 505	\$ 379
Dividend income		55,926	49,230
Securities lending income		232	250
Foreign exchange gain (loss)		(1,923)	2,794
Change in fair value of investments:			
Net realized gain		58,631	360,524
Net change in unrealized appreciation		<u>228,050</u>	<u>(439,238)</u>
Total revenue (loss)		<u>341,421</u>	<u>(26,061)</u>
Expenses:			
BCI cost recoveries	4	2,595	2,153
External management fees		9,061	8,600
Administrative fees		466	614
Commissions and stock exchange fees		2,186	3,577
Withholding taxes	6	<u>4,204</u>	<u>4,287</u>
Total operating expenses		<u>18,512</u>	<u>19,231</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>322,909</u>	<u>(45,292)</u>
Distributions to holders of redeemable units:			
From net investment income		(36,636)	(25,763)
From net realized gains on investments		<u>(55,388)</u>	<u>(354,939)</u>
		<u>(92,024)</u>	<u>(380,702)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 230,885</u></u>	<u><u>\$ (425,994)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 1,896,716	\$ 2,649,405
Increase (decrease) in net assets attributable to holders of redeemable units	230,885	(425,994)
Redeemable unit transactions:		
Proceeds from units issued	7,400	-
Reinvestment of distributions	92,024	380,702
Amounts paid for units redeemed	(7,400)	(707,397)
Net increase (decrease) from redeemable unit transactions	92,024	(326,695)
Balance, end of year	\$ 2,219,625	\$ 1,896,716

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 230,885	\$ (425,994)
Adjustments for:		
Foreign exchange loss (gain)	1,923	(2,794)
Interest income	(505)	(379)
Dividend income	(55,926)	(49,230)
Withholding taxes	4,204	4,287
Net realized gain from investments	(58,631)	(360,524)
Net change in unrealized appreciation of investments	(228,050)	439,238
Non cash distributions	92,024	380,702
Proceeds from sale of investments	1,119,360	1,968,516
Amounts paid for purchase of investments	(1,143,156)	(1,298,395)
Security lending revenue receivable	(2)	41
Payable for purchase of investments	-	(16)
External management fees payable	(1,130)	253
BCI cost recoveries payable	1,275	1,055
Other accounts payable	4	(61)
Interest received	505	379
Dividends received	54,148	49,718
Withholding taxes paid	(4,318)	(4,347)
	<u>12,610</u>	<u>702,449</u>
Financing activities:		
Proceeds from issuance of redeemable units	7,400	-
Payments on redemption of redeemable units	(7,400)	(707,397)
	<u>-</u>	<u>(707,397)</u>
Net increase (decrease) in cash	12,610	(4,948)
Effect of exchange rate changes on cash	(1,923)	2,794
Cash, beginning of year	<u>12,951</u>	<u>15,105</u>
Cash, end of year	\$ 23,638	\$ 12,951

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE ASIAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,205,500	\$ 1,612,150	\$ 1,893,325	\$ 1,528,022
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	2,251	2,254	3,949	3,955
Total Investments	\$ 2,207,751	\$ 1,614,404	\$ 1,897,274	\$ 1,531,977

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

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

The Active Asian Equity Fund (the "Fund") provides participating clients with exposure to a portfolio of actively managed Asia Pacific stocks. The Fund invests in both developing and mature Asian markets and seeks to earn a higher rate of return than the benchmark, the Morgan Stanley Capital International ("MSCI") All Country Asia Pacific ex-Japan Net Index (the "Index"). The Fund's performance objective is to exceed the benchmark return on a risk-adjusted basis.

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

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested in the securities of a single company;

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

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk

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

CURRENCY (in 000s)	2019			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 330,756	\$ -	\$ 330,756	14.9 %
Chinese Renminbi	38,971	-	38,971	1.8 %
Hong Kong Dollar	752,112	-	752,112	33.9 %
Indian Rupee	229,820	-	229,820	10.4 %
Indonesian Rupiah	29,368	-	29,368	1.3 %
Korean Won	263,585	-	263,585	11.9 %
Philippine Peso	15,482	-	15,482	0.7 %
Singapore Dollar	60,806	-	60,806	2.7 %
Taiwan Dollar	159,079	-	159,079	7.2 %
Thai Baht	29,877	-	29,877	1.3 %
United States Dollar	323,645	-	323,645	14.6 %
Net Foreign Exchange Exposure	\$ 2,233,501	\$ -	\$ 2,233,501	100.6 %

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

CURRENCY (in 000s)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 312,039	\$ -	\$ 312,039	16.5 %
Chinese Renminbi	50,888	-	50,888	2.7 %
Hong Kong Dollar	636,075	-	636,075	33.5 %
Indian Rupee	203,596	-	203,596	10.7 %
Indonesian Rupiah	52,321	-	52,321	2.8 %
Korean Won	193,455	-	193,455	10.2 %
Philippine Peso	22,467	-	22,467	1.2 %
Singapore Dollar	64,259	-	64,259	3.4 %
Taiwan Dollar	140,047	-	140,047	7.4 %
Thai Baht	36,577	-	36,577	1.9 %
United States Dollar	197,012	-	197,012	10.4 %
Net Foreign Exchange Exposure	\$ 1,908,736	\$ -	\$ 1,908,736	100.6 %

As at December 31, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$22,335,000 (2018 - \$19,087,000), representing 1.0% of the Fund's net assets (2018 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 352,190	16.1 %	\$ 269,968	14.3 %
Consumer Staple	50,851	2.3 %	60,923	3.2 %
Energy	84,903	3.8 %	40,535	2.1 %
Financial Services	560,234	25.4 %	556,998	29.4 %
Health Care	119,961	5.4 %	119,677	6.3 %
Industrial	141,479	6.4 %	98,031	5.2 %
Information Technology	398,585	18.1 %	301,490	15.9 %
Materials and Processing	159,672	7.2 %	137,463	7.3 %
Real Estate	133,200	6.0 %	113,911	6.0 %
Telecommunication Services	204,425	9.3 %	194,329	10.3 %
Total Equities	\$ 2,205,500	100.0 %	\$ 1,893,325	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased, respectively by approximately \$183,671,000 (2018 - \$189,237,000) or 8.3% (2018 – 10.0%) of net assets attributable to holders of redeemable units.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Australia	\$ 312,215	14.1 %	\$ 296,190	15.6 %
China	691,917	31.4 %	537,612	28.5 %
Hong Kong	322,178	14.6 %	289,215	15.3 %
India	229,748	10.4 %	203,596	10.8 %
Indonesia	29,368	1.3 %	52,321	2.8 %
Korea	260,467	11.8 %	191,134	10.1 %
Philippines	15,482	0.7 %	22,467	1.2 %
Singapore	60,800	2.8 %	64,259	3.4 %
Taiwan	222,890	10.1 %	184,261	9.7 %
Thailand	29,828	1.4 %	36,577	1.9 %
United States	30,607	1.4 %	15,693	0.7 %
Total Equities	\$ 2,205,500	100.0 %	\$ 1,893,325	100.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE ASIAN EQUITY FUND

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,205,500	\$ -	\$ 2,205,500
Money Market Funds	2,251	-	2,251
Total Investments	\$ 2,207,751	\$ -	\$ 2,207,751

	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,893,325	\$ -	\$ 1,893,325
Money Market Funds	3,949	-	3,949
Total Investments	\$ 1,897,274	\$ -	\$ 1,897,274

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	1	\$ 3,725,877	\$ 2,251

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	1	\$ 2,347,990	\$ 3,949

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 12,603	\$ 13,134
Receivable from issuance of units		180	-
Dividends receivable		768	1,204
Security lending revenue receivable		32	121
Withholding tax reclaims receivable		5,621	4,599
Investments		<u>2,114,404</u>	<u>1,869,122</u>
		<u>2,133,608</u>	<u>1,888,180</u>
Liabilities			
External management fees payable		1,823	1,933
BCI cost recoveries payable	4	7,136	6,310
Other accounts payable		<u>120</u>	<u>119</u>
		<u>9,079</u>	<u>8,362</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,124,529</u></u>	<u><u>\$ 1,879,818</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>821.581</i>	<i>821.347</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,586</u></u>	<u><u>\$ 2,289</u></u>

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 95	\$ 200
Dividend income		69,658	66,168
Securities lending income		622	989
Foreign exchange loss		(1,225)	(562)
Change in fair value of investments:			
Net realized gain		88,548	26,719
Net change in unrealized appreciation		<u>106,458</u>	<u>(212,845)</u>
Total revenue (loss)		<u>264,156</u>	<u>(119,331)</u>
Expenses:			
BCI cost recoveries	4	2,729	2,354
External management fees		6,840	7,044
Administrative fees		1,014	595
Commissions and stock exchange fees		2,107	1,574
Withholding taxes	6	<u>7,350</u>	<u>7,609</u>
Total operating expenses		<u>20,040</u>	<u>19,176</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>244,116</u>	<u>(138,507)</u>
Distributions to holders of redeemable units:			
From net investment income		(51,217)	(43,840)
From net realized gains on investments		<u>(85,985)</u>	<u>(23,492)</u>
		<u>(137,202)</u>	<u>(67,332)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 106,914</u></u>	<u><u>\$ (205,839)</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 1,879,818	\$ 2,018,325
Increase (decrease) in net assets attributable to holders of redeemable units	106,914	(205,839)
Redeemable unit transactions:		
Proceeds from units issued	347,795	-
Reinvestment of distributions	137,202	67,332
Amounts paid for units redeemed	(347,200)	-
Net increase from redeemable unit transactions	137,797	67,332
Balance, end of year	\$ 2,124,529	\$ 1,879,818

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 106,914	\$ (205,839)
Adjustments for:		
Foreign exchange loss	1,225	562
Interest income	(95)	(200)
Dividend income	(69,658)	(66,168)
Withholding taxes	7,350	7,609
Net realized gain from investments	(88,548)	(26,719)
Net change in unrealized appreciation of investments	(106,458)	212,845
Non cash distributions	137,202	67,332
Proceeds from sale of investments	1,147,753	1,029,655
Amounts paid for purchase of investments	(1,198,029)	(1,078,307)
Security lending revenue receivable	89	(54)
External management fees payable	(110)	(1,106)
BCI cost recoveries payable	826	813
Other accounts payable	1	(28)
Interest received	95	200
Dividends received	70,094	66,371
Withholding taxes paid	(8,372)	(9,294)
	279	(2,328)
Financing activities:		
Proceeds from issuance of redeemable units	347,615	-
Payments on redemption of redeemable units	(347,200)	-
	415	-
Net increase (decrease) in cash	694	(2,328)
Effect of exchange rate changes on cash	(1,225)	(562)
Cash, beginning of year	13,134	16,024
Cash, end of year	\$ 12,603	\$ 13,134

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EUROPEAN EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,114,387	\$ 1,844,283	\$ 1,866,684	\$ 1,703,038
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST2	16	16	2,335	2,337
Fund ST3	1	1	103	101
	17	17	2,438	2,438
Total Investments	\$ 2,114,404	\$ 1,844,300	\$ 1,869,122	\$ 1,705,476

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

The Active European Equity Fund (the "Fund") provides clients with exposure to a portfolio of actively managed European stocks, with the potential of earning a higher rate of return than its benchmark, the Morgan Stanley Capital International ("MSCI") Europe Net Index (the "Index"). The objective of the Fund is to exceed the benchmark return on a risk-adjusted basis. The Fund is comprised of portfolios managed by a team of external investment managers (the "Managers") under contract to BCI. BCI selects the Managers on the basis of their approach, process, historical track record and the strength of their investment team. The Managers operate independently of each other and are given specific value-added targets, consistent with their expected risk profile. In addition to the potential for higher returns, the Fund provides clients with: a diversity of active management investment styles; exposure to a variety of market outlooks; and exposure to the various segments of European equity markets, including emerging markets.

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested in the securities of a single company;
- investments in European emerging markets are limited to 15% of the market value of the Fund;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;

See accompanying Notes to the Financial Statements.

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

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

Currency Risk

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

CURRENCY (in 000s)	2019			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable	Net Exposure	% of Total Net Assets
British Pound Sterling	392,222	-	392,222	18.5 %
Czech Koruna	8,742	-	8,742	0.4 %
Danish Krone	63,570	-	63,570	3.0 %
Euro	978,506	-	978,506	46.1 %
Hungarian Forint	33,403	-	33,403	1.6 %
Norwegian Krone	16,124	-	16,124	0.8 %
Polish Zloty	3,925	-	3,925	0.2 %
Swedish Krona	148,411	-	148,411	7.0 %
Swiss Franc	262,102	-	262,102	12.3 %
Turkish Lira	58,095	-	58,095	2.7 %
United States Dollar	160,440	-	160,440	7.6 %
Net Foreign Exchange Exposure	\$ 2,125,540	\$ -	\$ 2,125,540	100.0 %

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

Currency Risk (continued)

CURRENCY (in 000s)	2018			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	279,964	-	279,964	14.9 %
Czech Koruna	11,920	-	11,920	0.6 %
Danish Krone	39,939	-	39,939	2.1 %
Euro	947,300	-	947,300	50.4 %
Hungarian Forint	17,534	-	17,534	0.9 %
Norwegian Krone	61,650	-	61,650	3.3 %
Polish Zloty	7,064	-	7,064	0.4 %
Swedish Krona	124,158	-	124,158	6.6 %
Swiss Franc	203,129	-	203,129	10.8 %
Turkish Lira	54,064	-	54,064	2.9 %
United States Dollar	131,195	-	131,195	7.0 %
Net Foreign Exchange Exposure	\$ 1,877,917	\$ -	\$ 1,877,917	99.9 %

As at December 31, 2019, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$21,255,400 (2018 - \$18,779,170), representing 1.0% of the Fund's net assets (2018 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 155,283	7.3 %	\$ 134,319	7.2 %
Consumer Staples	147,874	7.0 %	170,670	9.1 %
Energy	91,549	4.3 %	255,894	13.7 %
Financials	547,432	25.9 %	403,518	21.7 %
Health Care	423,304	20.0 %	389,616	20.9 %
Industrial Products	297,473	14.1 %	204,293	10.9 %
Information Technology	158,064	7.5 %	76,472	4.1 %
Materials	52,824	2.5 %	114,176	6.1 %
Real Estate	30,215	1.4 %	19,790	1.1 %
Telecommunication Services	130,190	6.2 %	85,980	4.6 %
Utilities	80,179	3.8 %	11,956	0.6 %
Total Equities	<u>\$ 2,114,387</u>	<u>100.0 %</u>	<u>\$ 1,866,684</u>	<u>100.0 %</u>

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$168,459,000 (2018 - \$177,532,900) or 7.9% (2018 – 9.4%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Austria	5,447	0.3 %	9,926	0.5 %
Belgium	64,512	3.1 %	68,821	3.7 %
Czech Republic	8,603	0.4 %	11,908	0.6 %
Denmark	62,934	3.0 %	39,326	2.1 %
Finland	27,297	1.3 %	91,229	4.9 %
France	289,361	13.7 %	219,515	11.8 %
Germany	176,278	8.3 %	178,323	9.6 %
Greece	4,272	0.2 %	2,505	0.1 %
Hungary	33,403	1.6 %	17,534	0.9 %
Ireland	31,499	1.5 %	22,187	1.2 %
Italy	163,456	7.7 %	58,731	3.1 %
Netherlands	237,477	11.2 %	200,103	10.7 %
Norway	15,447	0.7 %	60,155	3.2 %
Poland	3,574	0.2 %	7,064	0.4 %
Portugal	2,741	0.1 %	6,897	0.4 %
Russia	40,110	1.9 %	31,331	1.7 %
Spain	61,948	2.9 %	73,253	3.9 %
Sweden	148,409	7.0 %	124,158	6.7 %
Switzerland	259,613	12.3 %	201,630	10.8 %
Turkey	56,204	2.7 %	52,779	2.8 %
United Kingdom	421,802	19.9 %	389,309	20.9 %
Total Equities	<u>\$ 2,114,387</u>	<u>100.0 %</u>	<u>\$ 1,866,684</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EUROPEAN EQUITY FUND

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,114,387	\$ -	\$ 2,114,387
Money Market Funds	17	-	17
Total Investments	\$ 2,114,404	\$ -	\$ 2,114,404

	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 1,866,684	\$ -	\$ 1,866,684
Money Market Funds	2,438	-	2,438
Total Investments	\$ 1,869,122	\$ -	\$ 1,869,122

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	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	\$ 4,430,289	\$ 17

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee money market funds administered by BCI	2	\$ 3,170,185	\$ 2,438

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 43,995	\$ 44,758
Receivable from sale of investments		-	-
Receivable from issuance of units		205	-
Dividends receivable		1,944	1,636
Security lending revenue receivable		34	38
Withholding tax reclaims receivable	6	3,120	2,350
Investments		<u>2,793,671</u>	<u>3,259,698</u>
		<u>2,842,969</u>	<u>3,308,480</u>
Liabilities			
External management fees payable		2,882	2,942
BCI cost recoveries payable	4	9,221	8,025
Other accounts payable		69	92
Derivative liabilities:			
Swaps	4	<u>-</u>	<u>44,168</u>
		<u>12,172</u>	<u>55,227</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,830,797</u></u>	<u><u>\$ 3,253,253</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>922.946</i>	<i>1,319.281</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,067</u></u>	<u><u>\$ 2,466</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 2,582	\$ 5,106
Dividend income		43,428	54,123
Securities lending income		365	469
Foreign exchange gain (loss)		(2,686)	31
Change in fair value of investments and derivatives:			
Net realized gain		78,504	146,521
Net change in unrealized appreciation		<u>501,156</u>	<u>(164,888)</u>
Total revenue		<u>623,349</u>	<u>41,362</u>
Expenses:			
BCI cost recoveries	4	3,527	3,227
External management fees		11,112	14,622
Administrative fees		247	284
Commissions and stock exchange fees		604	2,437
Withholding taxes	6	<u>2,555</u>	<u>3,591</u>
Total operating expenses		<u>18,045</u>	<u>24,161</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>605,304</u>	<u>17,201</u>
Distributions to holders of redeemable units:			
From net investment income		(27,203)	(31,458)
From net realized gains on investments and derivatives		<u>(74,861)</u>	<u>(143,235)</u>
		<u>(102,064)</u>	<u>(174,693)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 503,240</u></u>	<u><u>\$ (157,492)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 3,253,253	\$ 3,240,376
Increase (decrease) in net assets attributable to holders of redeemable units	503,240	(157,492)
Redeemable unit transactions:		
Proceeds from units issued	2,051,040	-
Reinvestment of distributions	102,064	174,693
Amounts paid for units redeemed	(3,078,800)	(4,324)
Net increase (decrease) from redeemable unit transactions	(925,696)	170,369
Balance, end of year	\$ 2,830,797	\$ 3,253,253

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 503,240	\$ (157,492)
Adjustments for:		
Foreign exchange loss (gain)	2,686	(31)
Interest income	(2,582)	(5,106)
Dividend income	(43,428)	(54,123)
Withholding taxes	2,555	3,591
Net realized gain from investments and derivatives	(78,504)	(146,521)
Net change in unrealized appreciation of investments and derivatives	(501,156)	164,888
Non cash distributions	102,064	174,693
Proceeds from sale of investments	1,662,100	2,619,482
Amounts paid for purchase of investments	(660,581)	(2,679,181)
Receivable from sale of investments	-	9,461
Security lending revenue receivable	4	16
Payable for purchase of investments	-	(24,256)
External management fees payable	(60)	(1,104)
BCI cost recoveries payable	1,196	1,349
Other accounts payable	(23)	11
Interest received	2,582	5,106
Dividends received	43,120	54,411
Withholding taxes paid	(3,325)	(4,685)
	<u>1,029,888</u>	<u>(39,491)</u>
Financing activities:		
Proceeds from issuance of redeemable units	2,050,835	-
Payments on redemption of redeemable units	(3,078,800)	(4,324)
	<u>(1,027,965)</u>	<u>(4,324)</u>
Net increase (decrease) in cash	1,923	(43,815)
Effect of exchange rate changes on cash	(2,686)	31
Cash, beginning of year	<u>44,758</u>	<u>88,542</u>
Cash, end of year	\$ 43,995	\$ 44,758

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,692,242	\$ 1,462,071	\$ 2,101,703	\$ 1,319,947
Exchange Traded Funds	101,381	94,048	-	-
	<u>2,793,623</u>	<u>1,556,119</u>	<u>2,101,703</u>	<u>1,319,947</u>
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	5	5	-	-
Fund ST2	43	43	1,205	1,207
Fund ST3	-	-	1	1
CDOR 2 Floating Rate Fund	-	-	1,156,789	1,158,027
	<u>48</u>	<u>48</u>	<u>1,157,995</u>	<u>1,159,235</u>
Total Investments	<u><u>\$ 2,793,671</u></u>	<u><u>\$ 1,556,167</u></u>	<u><u>\$ 3,259,698</u></u>	<u><u>\$ 2,479,182</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE GLOBAL EQUITY FUND

Derivative Assets and Liabilities

as at December 31

(all amounts in thousands)

Derivative Assets and Liabilities (continued)

as at December 31

(all amounts in thousands)

As at December 31, 2019, the Fund held no derivative financial instruments.

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

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

	December 31 2019	December 31 2018
Less than 3 months	\$ -	\$ 1,154,000

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

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

The Active Global Equity Fund (the "Fund") provides clients with exposure to a portfolio of actively managed stocks from across the globe, a diversity of active management investment styles, exposure to a variety of market outlooks, and market exposure across geographic lines, industry sectors, and market capitalizations. The Fund's benchmark is the Morgan Stanley Capital International (MSCI) World ex-Canada Net Index (the "Index"). The investment objective of the Fund is to exceed the benchmark return on a risk-adjusted basis. As an actively managed portfolio, the focus is on selecting quality companies, sectors, and country allocations that will generate higher returns than the Index.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of companies whose country is classified as a developed or emerging market by MSCI;
- exchange traded funds based on or correlated to the Index or a subset of the Index;
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management;
- money market securities rated A-1 (low) or better, and units of BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and U.S. Dollar Money Market Fund ST3; and
- units in BCI's Floating Rate Funds.

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested in the securities of a single company;
- investments in emerging markets are limited to 10% of the market value of the Fund;
- investments in the frontier markets are prohibited;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and

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

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. As at December 31, 2019, the Fund held no derivative financial instruments and is therefore not exposed to credit risk from derivative financial instruments.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

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

Liquidity Risk

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

As at December 31, 2019, the Fund held no derivative financial assets and derivative financial liabilities. The following were the contractual maturities of derivative financial assets and derivative financial liabilities as at December 31, 2018.

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

Interest Rate Risk

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

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

Currency Risk

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

CURRENCY (in 000s)	2019			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 34,287	\$ -	\$ 34,287	1.2 %
British Pound Sterling	81,414	-	81,414	2.9 %
Danish Krone	66,641	-	66,641	2.4 %
Euro	327,460	-	327,460	11.6 %
Hong Kong Dollar	175,442	-	175,442	6.2 %
Indian Rupee	57,352	-	57,352	2.0 %
Indonesian Rupiah	13,466	-	13,466	0.5 %
Japanese Yen	246,189	-	246,189	8.7 %
South African Rand	7	-	7	- %
Swedish Krona	28,944	-	28,944	1.0 %
Swiss Franc	127,390	-	127,390	4.5 %
Taiwan Dollar	16,781	-	16,781	0.6 %
United States Dollar	1,609,089	(91)	1,608,998	56.8 %
Net Foreign Exchange Exposure	<u>\$ 2,784,462</u>	<u>\$ (91)</u>	<u>\$ 2,784,371</u>	<u>98.4 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

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

As at December 31, 2019, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$27,844,000 (2018 - \$20,648,000), representing 1.0% of the Fund's net assets (2018 - 0.6%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 380,434	14.1 %	\$ 307,575	14.6 %
Consumer Staples	284,899	10.6 %	229,302	10.9 %
Energy	115,304	4.3 %	145,169	6.9 %
Financials	243,193	9.0 %	202,798	9.6 %
Health Care	460,633	17.1 %	351,855	16.7 %
Industrials	190,491	7.1 %	144,133	6.9 %
Information Technology	684,016	25.4 %	424,248	20.4 %
Materials	111,533	4.1 %	97,488	4.6 %
Real Estate	39,529	1.5 %	46,860	2.2 %
Telecommunication Services	129,170	4.8 %	128,284	6.1 %
Utilities	53,040	2.0 %	23,991	1.1 %
Total Public Equities	\$ 2,692,242	100.0 %	\$ 2,101,703	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$268,972,000 (2018 - \$311,497,925) or 9.5% (2018 - 9.6%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

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

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Australia	\$ 34,287	1.4 %	\$ 24,284	1.3 %
Canada	27,817	1.0 %	19,090	0.9 %
China	49,212	1.8 %	39,763	1.9 %
Denmark	66,034	2.5 %	52,735	2.5 %
Finland	13,174	0.5 %	10,097	0.5 %
France	91,614	3.4 %	94,003	4.5 %
Germany	74,659	2.8 %	53,887	2.6 %
Hong Kong	125,523	4.7 %	122,990	5.9 %
India	57,352	2.1 %	65,966	3.1 %
Indonesia	13,466	0.5 %	-	- %
Ireland	-	- %	13,790	0.7 %
Japan	246,079	8.9 %	170,319	7.8 %
Netherlands	69,790	2.6 %	26,220	1.2 %
South Africa	-	- %	8,102	0.4 %
Spain	29,308	1.1 %	22,340	1.1 %
Sweden	28,450	1.1 %	16,609	0.8 %
Switzerland	124,184	4.6 %	104,545	5.0 %
Taiwan	63,995	2.4 %	31,659	1.5 %
United Kingdom	128,652	4.8 %	125,252	6.0 %
United States	1,448,646	53.8 %	1,100,052	52.3 %
Total Equities	<u>\$ 2,692,242</u>	<u>100.0 %</u>	<u>\$ 2,101,703</u>	<u>100.0 %</u>

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,692,242	-	\$ 2,692,242
Exchange Traded Funds	101,381	-	101,381
Money Market Funds	48	-	48
Total Investments	<u>\$ 2,793,671</u>	<u>\$ -</u>	<u>\$ 2,793,671</u>

	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
(in 000s)			
Public Equities	\$ 2,101,703	\$ -	\$ 2,101,703
Money Market Funds	1,206	-	1,206
Floating Rate Funds	1,156,789	-	1,156,789
Total Investments	\$ 3,259,698	\$ -	\$ 3,259,698
Foreign Currency Contracts, Net	-	(44,168)	(44,168)
Total	<u>\$ 3,259,698</u>	<u>\$ (44,168)</u>	<u>\$ 3,215,530</u>

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE GLOBAL EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 4,852,454	\$ 48

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	3	\$ 6,555,242	\$ 1,157,995

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 195	\$ 5,282
Receivable from sale of investments		-	1,517
Dividends receivable		-	4,294
Security lending revenue receivable		-	81
Withholding tax reclaims receivable	6	3,785	3,709
Derivative assets:			
Foreign currency contracts		-	1
Swaps		266,377	19,196
Investments		<u>3,502,512</u>	<u>3,277,854</u>
		<u>3,772,869</u>	<u>3,311,934</u>
Liabilities			
Payable for purchase of investments		-	4,886
BCI cost recoveries payable	4	2,618	1,871
Other accounts payable		131	122
Payable to BCI pooled investment portfolio	4	-	21,736
Derivative liabilities:			
Foreign currency contracts		-	10
Swaps		<u>40,611</u>	<u>8,877</u>
		<u>43,360</u>	<u>37,502</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 3,729,509</u></u>	<u><u>\$ 3,274,432</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>1,184.327</i>	<i>1,184.327</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 3,149</u></u>	<u><u>\$ 2,765</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 13,436	\$ 1,536
Dividend income		73,243	74,099
Securities lending income		1,013	800
Foreign exchange gain (loss)		(13,695)	982
Change in fair value of investments and derivatives:			
Net realized gain		316,408	185,783
Net change in unrealized appreciation		<u>80,914</u>	<u>(225,434)</u>
Total revenue		<u>471,319</u>	<u>37,766</u>
Expenses:			
BCI cost recoveries	4	8,951	5,691
Administrative fees		273	254
Commissions and stock exchange fees		3,578	5,221
Withholding taxes	6	<u>3,440</u>	<u>3,524</u>
Total operating expenses		<u>16,242</u>	<u>14,690</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>455,077</u>	<u>23,076</u>
Distributions to holders of redeemable units:			
From net investment income		(64,627)	(67,021)
From net realized gains on investments and derivatives		<u>(280,498)</u>	<u>(211,347)</u>
		<u>(345,125)</u>	<u>(278,368)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u><u>\$ 109,952</u></u>	<u><u>\$ (255,292)</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 3,274,432	\$ 3,251,356
Increase (decrease) in net assets attributable to holders of redeemable units	109,952	(255,292)
Redeemable unit transactions:		
Proceeds from units issued	-	71,300
Reinvestment of distributions	345,125	278,368
Amounts paid for units redeemed	-	(71,300)
Net increase from redeemable unit transactions	345,125	278,368
Balance, end of year	\$ 3,729,509	\$ 3,274,432

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 109,952	\$ (255,292)
Adjustments for:		
Foreign exchange loss (gain)	13,695	(982)
Interest income	(13,436)	(1,536)
Dividend income	(73,243)	(74,099)
Withholding taxes	3,440	3,524
Net realized gain from investments and derivatives	(316,408)	(185,783)
Net change in unrealized appreciation of investments and derivatives	(80,914)	225,434
Non cash distributions	345,125	278,368
Proceeds from sale of investments	9,809,822	7,523,341
Amounts paid for purchase of investments	(9,855,983)	(7,604,333)
Security lending revenue receivable	81	(28)
Payable to BCI pooled investment portfolio	(21,736)	21,736
BCI cost recoveries payable	747	754
Other accounts payable	9	72
Interest received	13,436	1,536
Dividends received	77,537	72,298
Withholding taxes paid	(3,516)	(4,255)
	<u>8,608</u>	<u>755</u>
Financing activities:		
Proceeds from issuance of redeemable units	-	71,300
Payments on redemption of redeemable units	-	(71,300)
	<u>-</u>	<u>-</u>
Net increase in cash	8,608	755
Effect of exchange rate changes on cash	(13,695)	982
Cash, beginning of year	5,282	3,545
Cash, end of year	\$ 195	\$ 5,282

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ -	\$ -	\$ 3,269,335	\$ 3,132,479
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	6,267	6,270	-	-
	6,267	6,270	-	-
Floating Rate Funds:				
Units in BCI Pooled Investment Portfolio:				
CDOR 1 Floating Rate Fund	566,274	566,115	1,506	1,508
CDOR 3 Floating Rate Fund	2,929,971	2,927,396	-	-
LIBOR Floating Rate Fund	-	-	7,013	6,594
	3,496,245	3,493,511	8,519	8,102
Total Investments	\$ 3,502,512	\$ 3,499,781	\$ 3,277,854	\$ 3,140,581

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Derivative Assets and Liabilities				
as at December 31				
(all amounts in thousands)				
2019				
Fair Value				
	Notional Value		Assets	Liabilities
	(note A)		(note B)	
Equity derivatives:				
OTC				
Swaps	\$ 9,372,778	\$	266,377	\$ (40,611)
Total	\$ 9,372,778	\$	266,377	\$ (40,611)
2018				
Fair Value				
	Notional Value		Assets	Liabilities
	(note A)		(note B)	
Equity derivatives:				
OTC				
Swaps	\$ 1,502,975	\$	19,196	\$ (8,877)
Currency derivatives				
Listed				
OTC				
Forwards	2,718		1	(10)
Total	\$ 1,505,693	\$	19,197	\$ (8,887)

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

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

	December 31 2019	December 31 2018
Less than 3 months	\$ 3,501,444	\$ 4,223
3 to 12 months	5,871,334	1,501,470
Total	\$ 9,372,778	\$ 1,505,693

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

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

The Global Quantitative Active Equity Fund (the "Fund") provides clients with exposure to equity markets from across the globe. The Fund differs from the Active Global Equity Fund in that it relies on financial modelling to identify and rank under- or over-valued securities relative to other securities in its benchmark. The benchmark used is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"). The Fund's objective is to exceed the benchmark return on a risk-adjusted basis.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of Index member companies;
- publicly traded income trust units;
- limited partnership interests, royalty trusts, and real estate investment trusts that trade on recognized exchanges;
- exchange traded funds based on or correlated to the Index or a subset of the Index;
- derivative instruments for the purposes of managing risk, enhancing returns and liquidity, lowering transaction costs, implementing synthetic indexing, and managing stock exposures;
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval;
- money market securities rated A-1 (low) or better, as well as units of BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2, and/or U.S. Dollar Money Market Fund ST3; and
- units in BCI's Floating Rate Funds.

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested, long or short, in the securities of a single company;
- the Fund may maintain short positions on common stock or common stock equivalents of benchmark member companies with a market value of up to 35% of the net asset value of the Fund;
- the value of short equity positions shall be approximately equal to the value of leveraged long positions and, once established, the difference between the two shall not exceed 5% of the net asset value of the Fund;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit

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

standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

The Fund uses derivative financial instruments to replicate equity investment returns of selected long and short equity positions through synthetic exposure.

Credit Risk

The Fund invests in foreign currency and swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of foreign currency and swap instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

	2019			2018		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	1,938,278	116,486	-	1,505	13	-
A	7,434,500	149,891	(40,611)	2,718	1	(10)
BBB	-	-	-	1,501,470	19,183	(8,877)
	<u>9,372,778</u>	<u>266,377</u>	<u>(40,611)</u>	<u>1,505,693</u>	<u>19,197</u>	<u>(8,887)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

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

Liquidity Risk

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

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

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2019			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 266,377	\$ 234,625	\$ 31,752	\$ 266,377
Derivative liabilities	(40,611)	-	(40,611)	(40,611)
	<u>\$ 225,766</u>	<u>\$ 234,625</u>	<u>\$ (8,859)</u>	<u>\$ 225,766</u>

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

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

Interest Rate Risk

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

Currency Risk

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

CURRENCY (in 000s)	2019			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 87,848	\$ -	\$ 87,848	2.4 %
British Pound Sterling	212,837	-	212,837	5.7 %
Danish Krone	24,292	-	24,292	0.7 %
Euro	411,265	-	411,265	11.0 %
Hong Kong Dollar	41,678	-	41,678	1.1 %
Israeli Shekel	4,282	-	4,282	0.1 %
Japanese Yen	376,500	(58,520)	317,980	8.5 %
New Zealand Dollar	3,572	-	3,572	0.1 %
Norwegian Krone	8,041	-	8,041	0.2 %
Singapore Dollar	16,541	-	16,541	0.4 %
Swedish Krona	34,613	-	34,613	0.9 %
Swiss Franc	122,795	-	122,795	3.3 %
United States Dollar	2,607,051	-	2,607,051	69.9 %
Net Foreign Exchange Exposure	<u>\$ 3,951,315</u>	<u>\$ (58,520)</u>	<u>\$ 3,892,795</u>	<u>104.4 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

CURRENCY (in 000s)	2018			
	Net Investments and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 59,519	\$ -	\$ 59,519	1.8 %
British Pound Sterling	190,155	-	190,155	5.8 %
Danish Krone	30,175	-	30,175	0.9 %
Euro	371,683	-	371,683	11.4 %
Hong Kong Dollar	65,274	-	65,274	2.0 %
Israeli Shekel	5,807	-	5,807	0.2 %
Japanese Yen	288,097	(1,532)	286,565	8.8 %
New Zealand Dollar	897	-	897	- %
Norwegian Krone	11,138	-	11,138	0.3 %
Singapore Dollar	17,867	-	17,867	0.5 %
Swedish Krona	34,264	-	34,264	1.0 %
Swiss Franc	97,928	-	97,928	3.0 %
United States Dollar	2,104,022	322	2,104,344	64.3 %
Net Foreign Exchange Exposure	\$ 3,276,826	\$ (1,210)	\$ 3,275,616	100.0 %

As at December 31, 2019, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by 38,928,000 (2018 - \$32,756,000), representing 1.0% of the Fund's net assets (2018 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

Management monitors the concentration of risk for equity securities based on industry and geographic location. As at December 31, 2019, the Fund held no equity investments and used derivative financial instruments to track the Fund's Index as well as overweights and underweights relative to the Index. As at December 31, 2019 the Fund's exposure through derivative instruments is concentrated in the following industries; as at December 31, 2018, the Fund's equity investments are concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 334,687	9.0 %	\$ 354,950	10.9 %
Consumer Staples	338,742	9.1 %	284,164	8.7 %
Energy	164,683	4.4 %	176,520	5.4 %
Financials	578,725	15.5 %	525,697	16.0 %
Health Care	485,611	13.0 %	440,990	13.5 %
Industrials	405,741	10.9 %	355,584	10.9 %
Information Technology	708,784	19.0 %	499,337	15.3 %
Materials	191,838	5.1 %	146,063	4.5 %
Real Estate	95,548	2.6 %	109,001	3.3 %
Telecommunication Services	281,375	7.5 %	265,343	8.1 %
Utilities	142,544	3.8 %	111,686	3.4 %
Total Exposure	\$ 3,728,278	99.9 %	\$ 3,269,335	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$366,256,000 (2018 - \$470,002,000) or 9.8% (2018 - 14.4%) of net assets attributable to redeemable units

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings, including derivative contracts, as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

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

Other Price Risk (continued)

Equity by Geographic Region

As at December 31, 2019 the Fund's exposure through derivative instruments is concentrated in the following geographic regions; as at December 31, 2018, the Fund's equity investments are concentrated in the following geographic regions:

GEOGRAPHIC REGION (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Australia	\$ 92,013	2.5 %	\$ 59,397	1.8 %
Austria	(12,113)	(0.3) %	14,247	0.4 %
Belgium	10,978	0.3 %	10,136	0.3 %
Denmark	45,307	1.2 %	29,691	0.9 %
Finland	2,526	0.1 %	12,759	0.4 %
France	206,272	5.5 %	104,059	3.2 %
Germany	64,234	1.7 %	88,739	2.7 %
Hong Kong	59,885	1.6 %	68,300	2.1 %
Ireland	(7,220)	(0.2) %	5,969	0.2 %
Israel	-	- %	6,084	0.2 %
Italy	34,228	0.9 %	32,386	1.0 %
Japan	334,370	9.0 %	285,899	8.7 %
Israel	4,131	0.1 %	-	- %
Netherlands	49,306	1.3 %	38,310	1.2 %
New Zealand	(1,058)	- %	861	- %
Norway	16,988	0.5 %	11,107	0.3 %
Portugal	8,536	0.2 %	6,707	0.2 %
Singapore	(8,600)	(0.2) %	17,777	0.5 %
Spain	19,832	0.5 %	38,970	1.2 %
Sweden	53,003	1.4 %	34,209	1.0 %
Switzerland	169,142	4.5 %	96,190	2.9 %
United Kingdom	192,251	5.2 %	210,558	6.4 %
United States	2,394,267	64.2 %	2,096,980	64.4 %
Total Exposure	\$ 3,728,278	100.0 %	\$ 3,269,335	100.0 %

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

(in 000s)	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Money Market Funds	6,267	-	6,267
Floating Rate Funds	3,496,245	-	3,496,245
Total Investments	\$ 3,502,512	\$ -	\$ 3,502,512
Swaps, net	-	225,766	225,766
Total	\$ 3,502,512	\$ 225,766	\$ 3,728,278

(in 000s)	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 3,269,335	\$ -	\$ 3,269,335
Floating Rate Funds	8,519	-	8,519
Total Investments	\$ 3,277,854	\$ -	\$ 3,277,854
Swaps, net	-	10,319	10,319
Foreign currency contracts, net	-	(9)	(9)
Total	\$ 3,277,854	\$ 10,310	\$ 3,288,164

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

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

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	3	\$ 27,264,289	\$ 3,502,512

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 13,113,059	\$ 8,519

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Statement of Financial Position (all amounts in thousands <i>except number of units</i>)			
	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 5,447	\$ 10,142
Receivable from sale of investments		-	1,676
Receivable from issuance of units		86,900	299,000
Dividends receivable		5,146	9,203
Security lending revenue receivable		49	141
Withholding tax reclaims receivable	6	6,614	4,858
Receivable from BCI pooled investment portfolio	4	-	21,736
Derivative assets:			
Swaps		210,997	56,898
Options		42,039	-
Investments		15,220,316	15,523,479
		<u>15,577,508</u>	<u>15,927,133</u>
Liabilities			
Payable for purchase of investments		14,895	6,326
Payable for redemption of units		86,900	299,000
BCI cost recoveries payable	4	4,637	3,517
Other accounts payable		203	302
Derivative liabilities:			
Foreign currency contracts		5	-
Swaps		157	350,225
Options		38,791	-
		<u>145,588</u>	<u>659,370</u>
Net assets attributable to holders of redeemable units		<u>\$ 15,431,920</u>	<u>\$ 15,267,763</u>
<i>Number of redeemable units outstanding</i>	5	<i>4,918.283</i>	<i>5,931.507</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 3,138</u>	<u>\$ 2,574</u>

Statement of Comprehensive Income (Loss) (all amounts in thousands)			
	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 179,600	\$ 89,886
Dividend income		169,856	269,460
Securities lending income		7,657	2,615
Foreign exchange loss		(11,851)	(5,931)
Change in fair value of investments and derivatives:			
Net realized gain		2,015,527	732,684
Net change in unrealized appreciation		<u>795,862</u>	<u>(1,145,582)</u>
Total revenue (loss)		<u>3,156,651</u>	<u>(56,868)</u>
Expenses:			
BCI cost recoveries	4	14,634	10,625
Administrative fees		493	793
Commissions and stock exchange fees		1,630	2,956
Withholding taxes	6	<u>7,562</u>	<u>12,423</u>
Total operating expenses		<u>24,319</u>	<u>26,797</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>3,132,332</u>	<u>(83,665)</u>
Distributions to holders of redeemable units:			
From net investment income		(322,567)	(330,132)
From net realized gains on investments and derivatives		<u>(2,058,123)</u>	<u>(766,781)</u>
		<u>(2,380,690)</u>	<u>(1,096,913)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 751,642</u>	<u>\$ (1,180,578)</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
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 15,267,763	\$ 11,556,886
Increase (decrease) in net assets attributable to holders of redeemable units	751,642	(1,180,578)
Redeemable unit transactions:		
Proceeds from units issued	4,131,374	6,850,505
Reinvestment of distributions	2,380,690	1,096,913
Amounts paid for units redeemed	(7,099,549)	(3,055,963)
Net increase (decrease) from redeemable unit transactions	(587,485)	4,891,455
Balance, end of year	\$ 15,431,920	\$ 15,267,763

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 751,642	\$ (1,180,578)
Adjustments for:		
Foreign exchange loss	11,851	5,931
Interest income	(179,600)	(89,886)
Dividend income	(169,856)	(269,460)
Withholding taxes	7,562	12,423
Net realized gain from investments and derivatives	(2,015,527)	(732,684)
Net change in unrealized appreciation of investments and derivatives	(795,862)	1,145,582
Non cash distributions	2,380,690	1,096,913
Proceeds from sale of investments	11,428,142	12,002,437
Amounts paid for purchase of investments	(8,807,507)	(16,095,902)
Net receivable for variation on options	(42,039)	-
Net payable for variation on options	38,791	-
Security lending revenue receivable	92	(29)
Receivable from BCI pooled investment portfolio	21,736	(21,736)
BCI cost recoveries payable	1,120	1,025
Other accounts payable	(99)	235
Interest received	179,600	89,886
Dividends received	173,913	269,049
Withholding taxes paid	(9,318)	(16,184)
	<u>2,975,331</u>	<u>(3,782,978)</u>
Financing activities:		
Proceeds from issuance of redeemable units	4,343,474	6,551,505
Payments on redemption of redeemable units	(7,311,649)	(2,756,963)
	<u>(2,968,175)</u>	<u>3,794,542</u>
Net increase in cash	7,156	11,564
Effect of exchange rate changes on cash	(11,851)	(5,931)
Cash, beginning of year	10,142	4,509
Cash, end of year	\$ 5,447	\$ 10,142

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 6,179,277	\$ 5,571,833	\$ 7,303,055	\$ 6,982,063
Floating Rate Funds:				
Units in BCI Pooled Investment Portfolio:				
CDOR 1 Floating Rate Fund	9,041,039	9,039,888	8,162,651	8,165,960
LIBOR Floating Rate Fund	-	-	57,773	55,313
	<u>9,041,039</u>	<u>9,039,888</u>	<u>8,220,424</u>	<u>8,221,273</u>
Total Investments	<u>\$ 15,220,316</u>	<u>\$ 14,611,721</u>	<u>\$ 15,523,479</u>	<u>\$ 15,203,336</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED GLOBAL EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			
	2019		
	Fair Value		
	Notional Value	Assets	Liabilities
	(note A)	(note B)	
Equity derivatives:			
OTC			
Swaps	\$ 9,000,030	\$ 210,997	\$ (157)
Options: Purchased	1,051,440	42,039	-
Options: Written	1,047,934	-	(38,791)
Currency derivatives			
OTC			
Forwards	2,986	-	(5)
Total	\$ 11,102,390	\$ 253,036	\$ (38,953)

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

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

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

	December 31 2019	December 31 2018
Less than 3 months	\$ 7,924,485	\$ 9,967,911
3 to 12 months	3,177,905	541,316
Total	\$ 11,102,390	\$ 10,509,227

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

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

The Indexed Global Equity Fund (the "Fund") provides clients with exposure to equity markets from across the globe at a low management fee. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"). The Fund's performance objective is to replicate the returns of the Index. The Fund is managed internally by BCI. BCI portfolio managers hold company, sector, and country allocations roughly in proportion to their benchmark weights and have discretion to determine the appropriate timing of implementing Index changes.

The Fund invests in the following securities:

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

The following restrictions apply to the Fund:

- investments in individual companies will be held approximately in the same proportion as their weighting in the Index;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

The Fund uses derivative financial instruments to replicate equity investment returns of selected long and short equity positions through synthetic exposure.

Credit Risk

The Fund invests in derivative contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. The credit risk exposure of derivative instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

	2019			2018		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	6,648,897	177,084	(11,976)	5,816,905	4,132	(211,617)
A	4,453,493	75,952	(26,977)	2,997,006	8,799	(94,796)
BBB	-	-	-	541,316	-	(43,812)
Internal (not rated)	-	-	-	1,154,000	43,967	-
	<u>11,102,390</u>	<u>253,036</u>	<u>(38,953)</u>	<u>10,509,227</u>	<u>56,898</u>	<u>(350,225)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

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

Liquidity Risk

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

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

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2019			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 253,036	\$ 228,612	\$ 24,424	\$ 253,036
Derivative liabilities	(38,953)	(38,820)	(133)	(38,953)
	<u>\$ 214,083</u>	<u>\$ 189,792</u>	<u>\$ 24,291</u>	<u>\$ 214,083</u>

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

Interest Rate Risk

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

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

Currency Risk

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

CURRENCY (in 000s)	2019			
	Net Investments and Investment-Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 361,071	\$ 235	\$ 361,306	2.3 %
British Pound Sterling	860,527	-	860,527	5.6 %
Danish Krone	98,117	84	98,201	0.6 %
Euro	1,702,631	440	1,703,071	11.0 %
Hong Kong Dollar	170,966	213	171,179	1.1 %
Israeli Shekel	17,843	-	17,843	0.1 %
Japanese Yen	1,728,344	(420,376)	1,307,968	8.5 %
New Zealand Dollar	14,606	102	14,708	0.1 %
Norwegian Krone	33,054	-	33,054	0.2 %
Singapore Dollar	67,812	217	68,029	0.4 %
Swedish Krona	142,236	(10)	142,226	0.9 %
Swiss Franc	499,163	93	499,256	3.2 %
United States Dollar	10,935,849	125	10,935,974	70.9 %
Net Foreign Exchange Exposure	<u>\$ 16,632,219</u>	<u>\$ (418,877)</u>	<u>\$ 16,213,342</u>	<u>105.1 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

CURRENCY (in 000s)	2018			
	Net Investments and Investment-Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 404,428	\$ -	\$ 404,428	2.6 %
British Pound Sterling	966,399	-	966,399	6.3 %
Danish Krone	102,281	41	102,322	0.7 %
Euro	1,865,857	82	1,865,939	12.2 %
Hong Kong Dollar	208,108	-	208,108	1.4 %
Israeli Shekel	16,663	-	16,663	0.1 %
Japanese Yen	1,432,148	278	1,432,426	9.4 %
New Zealand Dollar	13,492	-	13,492	0.1 %
Norwegian Krone	42,780	-	42,780	0.3 %
Singapore Dollar	80,063	-	80,063	0.5 %
Swedish Krona	158,320	-	158,320	1.0 %
Swiss Franc	506,837	234	507,071	3.3 %
United States Dollar	10,037,996	(635)	10,037,361	65.7 %
Net Foreign Exchange Exposure	\$ 15,835,372	\$ -	\$ 15,835,372	103.7 %

As at December 31, 2019, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$162,133,000 (2018 - \$158,354,000), representing 1.1% of the Fund's net assets (2018 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 648,012	10.5 %	\$ 776,419	10.7 %
Consumer Staples	520,776	8.4 %	647,402	8.9 %
Energy	273,304	4.4 %	402,068	5.5 %
Financials	918,399	14.9 %	1,126,336	15.4 %
Health Care	829,740	13.4 %	1,018,659	13.9 %
Industrials	681,848	11.0 %	807,641	11.1 %
Information Technology	1,098,047	17.8 %	1,077,143	14.7 %
Materials	258,620	4.2 %	324,850	4.4 %
Real Estate	208,728	3.4 %	245,381	3.4 %
Telecommunication Services	530,681	8.6 %	622,265	8.5 %
Utilities	211,122	3.4 %	254,891	3.5 %
Total Equities	\$ 6,179,277	100.0 %	\$ 7,303,055	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$1,503,415,000 (2018 - \$1,814,768,000) or 9.7% (2018 - 11.9%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Australia	\$ 144,725	2.3 %	\$ 184,520	2.5 %
Austria	4,743	0.1 %	6,357	0.1 %
Belgium	21,001	0.3 %	25,247	0.3 %
Denmark	39,142	0.6 %	46,558	0.6 %
Finland	20,113	0.3 %	27,750	0.4 %
France	243,063	3.9 %	295,904	4.1 %
Germany	184,135	3.0 %	234,857	3.2 %
Hong Kong	74,121	1.2 %	104,336	1.4 %
Ireland	12,520	0.2 %	14,425	0.2 %
Israel	12,802	0.2 %	14,379	0.2 %
Italy	49,851	0.8 %	60,086	0.8 %
Japan	520,026	8.4 %	651,146	8.9 %
Netherlands	84,739	1.4 %	94,785	1.3 %
New Zealand	5,857	0.1 %	6,175	0.1 %
Norway	13,247	0.2 %	19,596	0.3 %
Portugal	3,383	0.1 %	4,217	0.1 %
Singapore	27,242	0.4 %	36,524	0.5 %
Spain	60,391	1.0 %	82,312	1.1 %
Sweden	57,023	0.9 %	72,266	1.0 %
Switzerland	198,662	3.2 %	230,360	3.2 %
United Kingdom	350,254	5.7 %	459,273	6.3 %
United States	4,052,237	65.7 %	4,631,982	63.4 %
Total Equities	<u>\$ 6,179,277</u>	<u>100.0 %</u>	<u>\$ 7,303,055</u>	<u>100.0 %</u>

Fair Value Measurement Discussion
as at December 31

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

(in 000s)	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 6,179,277	\$ -	\$ 6,179,277
Floating Rate Funds	9,041,039	-	9,041,039
Total Investments	<u>\$ 15,220,316</u>	<u>\$ -</u>	<u>\$ 15,220,316</u>
Foreign Currency Contracts, Net	-	(5)	(5)
Options, Net	-	3,248	3,248
Swaps, Net	-	210,840	210,840
Total	<u>\$ 15,220,316</u>	<u>\$ 214,083</u>	<u>\$ 15,434,399</u>

(in 000s)	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 7,303,055	\$ -	\$ 7,303,055
Floating Rate Funds	8,220,424	-	8,220,424
Total Investments	<u>\$ 15,523,479</u>	<u>\$ -</u>	<u>\$ 15,523,479</u>
Swaps, Net	-	(293,327)	(293,327)
Total	<u>\$ 15,523,479</u>	<u>\$ (293,327)</u>	<u>\$ 15,230,152</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED GLOBAL EQUITY FUND

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

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	1	\$ 20,580,634	\$ 9,041,039

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	\$ 13,113,057	\$ 8,220,424

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Financial Position (all amounts in thousands except number of units)			
	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 169,717	\$ 209,956
Receivable from sale of investments		1,234	4,570
Receivable from issuance of units		750	42,800
Dividends receivable		4,017	7,128
Interest receivable		7	-
Security lending revenue receivable		19	44
Withholding tax reclaims receivable	6	976	995
Derivative assets:			
Foreign currency contracts		-	21
Swaps		-	115,225
Investments		4,005,292	7,959,849
		<u>4,182,012</u>	<u>8,340,588</u>
Liabilities			
Payable for purchase of investments		1,305	5,302
Payable for redemption of units		-	38,650
External management fees payable		4,713	11,142
BCI cost recoveries payable	4	37,736	34,793
Other accounts payable		650	1,316
Derivative liabilities:			
Foreign currency contracts		1	5
Swaps		1,416	-
		<u>45,821</u>	<u>91,208</u>
Net assets attributable to holders of redeemable units		<u>\$ 4,136,191</u>	<u>\$ 8,249,380</u>
<i>Number of redeemable units outstanding</i>	5	<i>2,467.598</i>	<i>5,530.111</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,676</u>	<u>\$ 1,492</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Loss (all amounts in thousands)			
	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 9,514	\$ 20,954
Dividend income		81,186	195,071
Securities lending income		545	1,088
Foreign exchange gain		26,363	23,636
Change in fair value of investments and derivatives:			
Net realized gain		677,546	855,122
Net change in unrealized appreciation		(107,214)	(1,816,134)
Total revenue (loss)		<u>687,940</u>	<u>(720,263)</u>
Expenses:			
BCI cost recoveries	4	20,045	20,299
External management fees		18,520	41,263
Administrative fees		2,531	4,579
Commissions and stock exchange fees		7,528	18,066
Withholding taxes	6	7,441	20,544
Total operating expenses		<u>56,065</u>	<u>104,751</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>631,875</u>	<u>(825,014)</u>
Distributions to holders of redeemable units:			
From net investment income		(72,182)	(125,429)
From net realized gains on investments and derivatives		(665,008)	(844,131)
		<u>(737,190)</u>	<u>(969,560)</u>
Decrease in net assets attributable to holders of redeemable units		<u>\$ (105,315)</u>	<u>\$ (1,794,574)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 8,249,380	\$ 10,140,470
Decrease in net assets attributable to holders of redeemable units	(105,315)	(1,794,574)
Redeemable unit transactions:		
Proceeds from units issued	475,032	107,832
Reinvestment of distributions	737,190	969,560
Amounts paid for units redeemed	(5,220,096)	(1,173,908)
Net decrease from redeemable unit transactions	(4,007,874)	(96,516)
Balance, end of year	\$ 4,136,191	\$ 8,249,380

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Decrease in net assets attributable to holders of redeemable units	\$ (105,315)	\$ (1,794,574)
Adjustments for:		
Foreign exchange gain	(26,363)	(23,636)
Interest income	(9,514)	(20,954)
Dividend income	(81,186)	(195,071)
Withholding taxes	7,441	20,544
Net realized gain from investments and derivatives	(677,546)	(855,122)
Net change in unrealized appreciation of investments and derivatives	107,214	1,816,134
Non cash distributions	737,190	969,560
Proceeds from sale of investments	7,080,246	11,067,684
Amounts paid for purchase of investments	(2,439,360)	(10,222,465)
Security lending revenue receivable	25	76
External management fees payable	(6,429)	(5,386)
BCI cost recoveries payable	2,943	6,104
Other accounts payable	(666)	(415)
Interest received	9,507	20,954
Dividends received	84,297	205,444
Withholding taxes paid	(7,422)	(20,791)
	<u>4,675,062</u>	<u>968,086</u>
Financing activities:		
Proceeds from issuance of redeemable units	517,082	66,282
Payments on redemption of redeemable units	(5,258,746)	(1,135,258)
	<u>(4,741,664)</u>	<u>(1,068,976)</u>
Net decrease in cash	(66,602)	(100,890)
Effect of exchange rate changes on cash	26,363	23,636
Cash, beginning of year	209,956	287,210
Cash, end of year	\$ 169,717	\$ 209,956

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,767,681	\$ 3,259,414	\$ 5,514,442	\$ 5,014,578
Bonds:				
Corporate	3,078	2,541	130	133
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	26	27	4,812	4,816
Fund ST3	2,308	2,355	303	292
	<u>2,334</u>	<u>2,382</u>	<u>5,115</u>	<u>5,108</u>
Floating Rate Funds:				
Units in BCI Pooled Investment Portfolio:				
CDOR1 Floating Rate Fund	232,199	232,904	211,895	212,211
CDOR2 Floating Rate Fund	-	-	2,228,267	2,229,212
	<u>232,199</u>	<u>232,904</u>	<u>2,440,162</u>	<u>2,441,423</u>
Total Investments	<u><u>\$ 4,005,292</u></u>	<u><u>\$ 3,497,241</u></u>	<u><u>\$ 7,959,849</u></u>	<u><u>\$ 7,461,242</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE EMERGING MARKETS EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			
	2019		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	230,170	-	(1,416)
Currency derivatives			
OTC			
Forwards	192,740	-	(1)
Total	<u>\$ 422,910</u>	<u>\$ -</u>	<u>\$ (1,417)</u>

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

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

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

	December 31 2019	December 31 2018
Less than 3 months	\$ 422,910	\$ 4,337
3 to 12 months	-	2,430,986
Total	<u>\$ 422,910</u>	<u>2,435,323</u>

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

The investment objective of the Active Emerging Markets Equity Fund (the "Fund") is to provide participating clients with exposure to a portfolio of actively managed emerging market equity investments, with the potential of earning a higher rate of return than the Fund's benchmark. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") Emerging Markets Net Index (the "Index"). The objective of the Fund is to exceed the benchmark return on a risk-adjusted basis via a risk adjusted excess return objective.

The Fund can hold the following securities:

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

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

The following restrictions apply to the Fund:

- No more than 10% of the market value of the Fund can be invested in the securities of one company;
- investments in companies whose country is classified as a frontier market by MSCI are limited to 10% of the market value of the Fund;
- investments in companies whose country is classified as a developed market by MSCI are limited to 10% of the market value of the Fund;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, external counterparties must be financial institutions that are rated "A-" or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency and swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of foreign currency and swap instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Credit Risk (continued)

	2019			2018		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
A	422,910	-	(1,417)	2,435,323	115,246	(5)
	422,910	-	(1,417)	2,435,323	115,246	(5)

Liquidity Risk

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

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

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2019			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ -	\$ -	\$ -	\$ -
Derivative liabilities	(1,417)	(1,417)	-	(1,417)
	\$ (1,417)	\$ (1,417)	\$ -	\$ (1,417)

Financial Risk Management Discussion (continued)
as at December 31

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

Interest Rate Risk

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

Currency Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

CURRENCY (in 000s)	2019			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	92,276	-	92,276	2.2 %
Chinese Renminbi	1,283,441	-	1,283,441	31.0 %
Euro	15,128	-	15,128	0.4 %
Hong Kong Dollar	868,425	983	869,408	21.0 %
Hungarian Forint	27,914	-	27,914	0.7 %
Indian Rupee	535,775	-	535,775	13.0 %
Indonesian Rupiah	8,223	-	8,223	0.2 %
Japanese Yen	16,023	(10,796)	5,227	0.1 %
Korean Won	430,645	165	430,810	10.4 %
Malaysian Ringgit	9,173	-	9,173	0.2 %
Pakistani Rupee	1,826	-	1,826	- %
Polish Zloty	12,535	-	12,535	0.3 %
Kuwaiti Dinar	7,458	-	7,458	0.2 %
Russian Ruble	9,920	-	9,920	0.2 %
South African Rand	31,350	-	31,350	0.8 %
United Arab Emirates Dirham	12,664	-	12,664	0.3 %
Taiwan Dollar	172,342	-	172,342	4.2 %
Thai Baht	17,159	-	17,159	0.4 %
Turkish Lira	22,174	-	22,174	0.5 %
United States Dollar	636,551	(1,149)	635,402	15.4 %
Net Foreign Exchange Exposure	\$ 4,211,002	\$ (10,797)	\$ 4,200,205	101.5 %

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

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

As at December 31, 2019, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$42,002,000 (2018 - \$58,392,000), representing 1.0% of the Fund's net assets (2018 - 0.7%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 748,698	19.8 %	\$ 646,446	11.7 %
Consumer Staple	418,208	11.1 %	900,754	16.3 %
Energy	204,009	5.4 %	248,330	4.5 %
Financial Services	741,193	19.7 %	1,472,241	26.7 %
Health Care	139,347	3.7 %	116,320	2.1 %
Industrial Products	185,333	4.9 %	302,352	5.5 %
Information Technology	586,455	15.6 %	644,673	11.7 %
Materials and Processing	181,390	4.8 %	201,885	3.7 %
Real Estate	162,277	4.3 %	115,111	2.1 %
Telecommunication Services	281,940	7.5 %	613,373	11.1 %
Utilities	118,831	3.2 %	252,957	4.6 %
Total Equities	<u>\$ 3,767,681</u>	<u>100.0 %</u>	<u>\$ 5,514,442</u>	<u>100.0 %</u>

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$297,610,000 (2018 - \$841,432,000) or 7.2% (2018 - 10.2%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2019 and 2018, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Financial Risk Management Discussion (continued)
as at December 31

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Argentina	-	- %	2,629	- %
Belgium	-	- %	36,513	0.7 %
Brazil	158,633	4.2 %	313,049	5.7 %
Chile	3,767	0.1 %	5,229	0.1 %
China	2,279,049	60.6 %	2,020,452	36.7 %
Colombia	3,651	0.1 %	29,832	0.5 %
Egypt	7,975	0.2 %	4,852	0.1 %
Greece	14,491	0.4 %	9,252	0.2 %
Hong Kong	64,158	1.7 %	67,034	1.2 %
Hungary	27,914	0.7 %	20,779	0.4 %
India	535,431	14.2 %	1,385,817	25.1 %
Indonesia	8,223	0.2 %	168,952	3.1 %
Japan	5,049	0.1 %	-	- %
Korea	199,976	5.3 %	258,729	4.7 %
Kuwait	7,458	0.2 %	-	- %
Malaysia	9,173	0.2 %	115,150	2.1 %
Mexico	26,603	0.7 %	172,096	3.1 %
Netherlands	-	- %	126,165	2.3 %
Pakistan	1,823	- %	1,619	- %
Peru	9,530	0.3 %	33,002	0.6 %
Philippines	-	- %	49,702	0.9 %
Poland	12,505	0.3 %	50,856	0.9 %
Russia	125,518	3.3 %	59,771	1.1 %
Singapore	-	- %	155,429	2.8 %
South Africa	31,042	0.8 %	67,763	1.2 %
Taiwan	171,747	4.6 %	171,819	3.1 %
Thailand	17,159	0.5 %	156,560	2.8 %
Turkey	22,174	0.6 %	5,766	0.1 %
United Arab Emirates	18,262	0.5 %	6,067	0.1 %
United States	6,370	0.2 %	-	- %
Vietnam	-	- %	19,558	0.4 %
Total Equities	<u>\$ 3,767,681</u>	<u>100.0 %</u>	<u>\$ 5,514,442</u>	<u>100.0 %</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

(in 000s)	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 3,767,681	\$ -	\$ 3,767,681
Money Market Funds	2,334	-	2,334
Floating Rate Funds	232,199	-	232,199
Bonds	-	3,078	3,078
Total Investments	\$ 4,002,214	\$ 3,078	\$ 4,005,292
Foreign Currency Contracts, Net	-	(1)	(1)
Swaps, Net	-	(1,416)	(1,416)
Total	\$ 4,002,214	\$ 1,661	\$ 4,003,875

(in 000s)	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 5,514,442	\$ -	\$ 5,514,442
Money Market Funds	5,115	-	5,115
Floating Rate Funds	2,440,162	-	2,440,162
Bonds	-	130	130
Total Investments	\$ 7,959,719	\$ 130	\$ 7,959,849
Foreign Currency Contracts, Net	-	16	16
Swaps, Net	-	115,225	115,225
Total	\$ 7,959,719	\$ 115,371	\$ 8,075,090

See accompanying Notes to the Financial Statements.

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

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

ACTIVE EMERGING MARKETS EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third-party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	3	\$ 22,411,623	\$ 234,533

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	4	\$ 18,757,409	\$ 2,445,277

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 3,080	\$ 1,728
Receivable from sale of investments		-	16,138
Receivable from issuance of units		-	29,400
Dividends receivable		7,715	7,073
Security lending revenue receivable		104	99
Withholding tax reclaims receivable	6	448	215
Derivative assets:			
Swaps		346,844	35,182
Investments		9,694,230	4,690,939
		<u>10,052,421</u>	<u>4,780,774</u>
Liabilities			
Payable for purchase of investments		-	16,361
Payable for redemption of units		-	29,400
BCI cost recoveries payable	4	1,785	695
Other accounts payable		705	710
Derivative liabilities:			
Swaps		46,114	861
		<u>48,604</u>	<u>48,027</u>
Net assets attributable to holders of redeemable units		<u>\$ 10,003,817</u>	<u>\$ 4,732,747</u>
<i>Number of redeemable units outstanding</i>	5	<i>5,954.488</i>	<i>3,168.712</i>
Net assets attributable to holders of redeemable units per unit		<u>\$ 1,680</u>	<u>\$ 1,494</u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income (Loss)

(all amounts in thousands)

	Note	Year Ended December 31, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 112,653	\$ 13,691
Dividend income		93,047	111,394
Securities lending income		5,130	1,251
Foreign exchange loss		(1,953)	(18,878)
Change in fair value of investments and derivatives:			
Net realized gain (loss)		181,330	(108,185)
Net change in unrealized appreciation		571,303	(264,762)
Total revenue (loss)		<u>961,510</u>	<u>(265,489)</u>
Expenses:			
BCI cost recoveries	4	7,470	1,899
Administrative fees		1,420	1,620
Commissions and stock exchange fees		650	1,555
Withholding taxes	6	9,502	18,575
Total operating expenses		<u>19,042</u>	<u>23,649</u>
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		<u>942,468</u>	<u>(289,138)</u>
Distributions to holders of redeemable units:			
From net investment income		(189,750)	(84,968)
From net realized gains on investments and derivatives		(74,625)	-
		<u>(264,375)</u>	<u>(84,968)</u>
Increase (decrease) in net assets attributable to holders of redeemable units		<u>\$ 678,093</u>	<u>\$ (374,106)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 4,732,747	\$ 2,159,628
Increase (decrease) in net assets attributable to holders of redeemable units	678,093	(374,106)
Redeemable unit transactions:		
Proceeds from units issued	5,137,173	3,127,247
Reinvestment of distributions	264,375	84,968
Amounts paid for units redeemed	(808,571)	(264,990)
Net increase from redeemable unit transactions	4,592,977	2,947,225
Balance, end of year	\$ 10,003,817	\$ 4,732,747

Statement of Cash Flows (all amounts in thousands)		
	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 678,093	\$ (374,106)
Adjustments for:		
Foreign exchange loss	1,953	18,878
Interest income	(112,653)	(13,691)
Dividend income	(93,047)	(111,394)
Withholding taxes	9,502	18,575
Net realized loss (gain) from investments and derivatives	(181,330)	108,185
Net change in unrealized appreciation of investments and derivatives	(571,303)	264,762
Non cash distributions	264,375	84,968
Proceeds from sale of investments	2,303,674	1,134,485
Amounts paid for purchase of investments	(6,820,741)	(4,077,191)
Receivable from sale of investments	16,138	(16,138)
Security lending revenue receivable	(5)	(66)
Payable for purchase of investments	(16,361)	14,725
BCI cost recoveries payable	1,090	206
Other accounts payable	(5)	467
Interest received	112,653	13,691
Dividends received	92,405	107,466
Withholding taxes paid	(9,735)	(18,733)
	<u>(4,325,297)</u>	<u>(2,844,911)</u>
Financing activities:		
Proceeds from issuance of redeemable units	5,166,573	3,097,847
Payments on redemption of redeemable units	(837,971)	(235,590)
	<u>4,328,602</u>	<u>2,862,257</u>
Net increase in cash	3,305	17,346
Effect of exchange rate changes on cash	(1,953)	(18,878)
Cash, beginning of year	1,728	3,260
Cash, end of year	\$ 3,080	\$ 1,728

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,428,105	\$ 3,049,078	\$ 3,026,396	\$ 2,957,941
Exchange Traded Funds	1,053	990	7,346	7,297
	<u>3,429,158</u>	<u>3,050,068</u>	<u>3,033,742</u>	<u>2,965,238</u>
Floating Rate Funds:				
Units in BCI Pooled Investment Portfolio:				
CDOR 1 Floating Rate Fund	6,265,072	6,272,748	1,657,197	1,659,181
	<u>6,265,072</u>	<u>6,272,748</u>	<u>1,657,197</u>	<u>1,659,181</u>
Total Investments	<u><u>\$ 9,694,230</u></u>	<u><u>\$ 9,322,816</u></u>	<u><u>\$ 4,690,939</u></u>	<u><u>\$ 4,624,419</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

INDEXED EMERGING MARKETS EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			
	2019		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 8,314,875	\$ 346,844	\$ (46,114)
Currency derivatives			
Listed			
OTC			
Forwards	70	-	-
Total	<u>\$ 8,314,945</u>	<u>\$ 346,844</u>	<u>\$ (46,114)</u>
	2018		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	1,655,081	35,182	(861)
Currency derivatives			
Listed			
OTC			
Forwards	45	-	-
Total	<u>\$ 1,655,126</u>	<u>\$ 35,182</u>	<u>\$ (861)</u>

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

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

	December 31 2019	December 31 2018
Less than 3 months	\$ 3,133,236	\$ 1,629,130
3 to 12 months	<u>5,181,639</u>	<u>25,996</u>
Total	<u><u>\$ 8,314,875</u></u>	<u><u>\$ 1,655,126</u></u>

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

The investment objective of the Indexed Emerging Markets Equity Fund (the "Fund") is to provide clients with exposure to a portfolio of emerging market equity investments at a low fee. The objective of the Fund is to replicate the returns of the Fund's benchmark, the Morgan Stanley Capital International ("MSCI") Emerging Markets Net Index (the "Index"). Investments in individual companies will be held in approximately the same proportion as their weighting in the Index, but BCI shall have discretion in determining the appropriate timing of implementing Index changes.

The Fund can hold the following securities:

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

The following restrictions apply to the Funds:

- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

The Fund uses derivative financial instruments to replicate equity investment returns of selected long and short equity positions through synthetic exposure.

Credit Risk

The Fund invests in swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of swap instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

	2019			2018		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	1,217,547	33,278	(19,302)	785,240	24,036	(623)
A	7,097,328	313,566	(26,812)	853,432	11,146	(212)
BBB	-	-	-	16,409	-	(26)
	<u>8,314,875</u>	<u>346,844</u>	<u>(46,114)</u>	<u>1,655,081</u>	<u>35,182</u>	<u>(861)</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

Liquidity Risk

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

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

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2019			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 346,844	\$ 147,553	\$ 199,291	\$ 346,844
Derivative liabilities	(46,114)	(31,178)	(14,936)	(46,114)
	<u>\$ 300,730</u>	<u>\$ 116,375</u>	<u>\$ 184,355</u>	<u>\$ 300,730</u>

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018			
	Carrying Value	Less than 3 months	3 to 12 months	Total
Derivative assets	\$ 35,182	\$ 35,165	\$ 17	\$ 35,182
Derivative liabilities	(861)	(836)	(25)	(861)
	<u>\$ 34,321</u>	<u>\$ 34,329</u>	<u>\$ (8)</u>	<u>\$ 34,321</u>

Interest Rate Risk

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

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

Currency Risk

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

CURRENCY (in 000s)	2019			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 294,256	-	\$ 294,256	2.9 %
Chilean Peso	29,278	-	29,278	0.3 %
Chinese Renminbi	18,320	-	18,320	0.2 %
Columbian Peso	14,576	-	14,576	0.1 %
Czech Koruna	5,447	-	5,447	0.1 %
Egyptian Pound	1,402	-	1,402	- %
Euro	21,713	(16)	21,697	0.2 %
Hong Kong Dollar	827,569	(41)	827,528	8.3 %
Hungarian Forint	11,996	-	11,996	0.1 %
Indian Rupee	341,896	-	341,896	3.4 %
Indonesian Rupiah	76,357	-	76,357	0.8 %
Japanese Yen	296,098	(291,303)	4,795	- %
Korean Won	468,297	-	468,297	4.7 %
Malaysian Ringgit	71,649	-	71,649	0.7 %
Mexican Peso	90,276	(13)	90,263	0.9 %
Pakistani Rupee	1,191	-	1,191	- %
Philippine Peso	37,401	-	37,401	0.4 %
Polish Zloty	35,006	-	35,006	0.3 %
Qatari Real	36,504	-	36,504	0.4 %
Russian Ruble	137,167	-	137,167	1.4 %
Saudi Arabia Riyal	11,865	-	11,865	0.1 %
South African Rand	188,198	-	188,198	1.9 %
Taiwan Dollar	462,281	-	462,281	4.6 %
Thai Baht	99,817	-	99,817	1.0 %
Turkish Lira	19,245	-	19,245	0.2 %
United Arab Emirates Dirham	22,201	-	22,201	0.2 %
United States Dollar	1,105,956	70	1,106,026	11.1 %
Net Foreign Exchange Exposure	\$ 4,725,962	\$ (291,303)	\$ 4,434,659	44.3 %

Financial Risk Management Discussion (continued)
as at December 31

Currency Risk (continued)

CURRENCY (in 000s)	2018			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 228,660	-	\$ 228,660	4.8 %
Chilean Peso	33,626	-	33,626	0.7 %
Chinese Renminbi	4,518	-	4,518	0.1 %
Columbian Peso	12,565	-	12,565	0.3 %
Czech Koruna	5,356	-	5,356	0.1 %
Egyptian Pound	1,128	-	1,128	- %
Euro	6,777	-	6,777	0.1 %
Hong Kong Dollar	699,259	-	699,259	14.8 %
Hungarian Forint	10,097	-	10,097	0.2 %
Indian Rupee	289,599	-	289,599	6.1 %
Indonesian Rupiah	71,409	-	71,409	1.5 %
Korean Won	429,072	-	429,072	9.1 %
Malaysian Ringgit	75,532	-	75,532	1.6 %
Mexican Peso	85,687	(45)	85,642	1.8 %
Philippine Peso	34,305	-	34,305	0.7 %
Pakistani Rupee	1,177	-	1,177	- %
Polish Zloty	38,658	-	38,658	0.8 %
Qatari Real	33,813	-	33,813	0.7 %
Saudi Arabia Riyal	98,856	-	98,856	2.1 %
South African Rand	193,052	-	193,052	4.1 %
Taiwan Dollar	351,138	-	351,138	7.4 %
Thai Baht	74,821	-	74,821	1.6 %
Turkish Lira	19,227	-	19,227	0.4 %
United Arab Emirates Dirham	21,592	-	21,592	0.5 %
United States Dollar	255,198	45	255,243	5.4 %
Net Foreign Exchange Exposure	\$ 3,075,122	\$ -	\$ 3,075,122	65.0 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

Currency Risk (continued)

As at December 31, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased by \$44,347,000 (2018 - \$30,751,000), representing 0.4% of the Fund's net assets (2018 - 0.6%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 516,845	15.0 %	\$ 314,538	10.4 %
Consumer Staples	204,639	6.0 %	200,384	6.6 %
Energy	261,752	7.6 %	243,045	8.0 %
Financials	802,700	23.4 %	752,166	24.9 %
Health Care	91,439	2.7 %	84,811	2.8 %
Industrials	172,745	5.0 %	162,705	5.4 %
Information Technology	556,592	16.2 %	432,267	14.3 %
Materials	235,369	6.9 %	233,166	7.7 %
Services	-	- %	91,580	3.0 %
Telecommunication Services	372,843	10.9 %	430,972	14.2 %
Utilities	87,723	2.6 %	80,762	2.7 %
Real Estate	104,796	3.1 %	-	- %
Other	20,662	0.6 %	-	- %
Total Equities	<u>\$ 3,428,105</u>	<u>100.0 %</u>	<u>\$ 3,026,396</u>	<u>100.0 %</u>

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

Other Price Risk (continued)

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$736,119,000 (2018 - \$468,210,000) or 7.4% (2018 - 9.9%) of net assets.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Brazil	\$ 270,435	7.9 %	\$ 224,975	7.4 %
Chile	27,074	0.8 %	33,170	1.1 %
China	766,861	22.4 %	905,054	29.9 %
Colombia	13,385	0.4 %	12,390	0.4 %
Czech Republic	4,924	0.1 %	5,234	0.2 %
Egypt	855	- %	3,816	0.1 %
Greece	10,860	0.3 %	6,716	0.2 %
Hungary	11,109	0.3 %	9,994	0.3 %
India	316,862	9.2 %	286,777	9.5 %
Indonesia	70,671	2.1 %	70,677	2.3 %
Korea	429,688	12.5 %	420,042	13.9 %
Malaysia	66,270	1.9 %	74,545	2.5 %
Mexico	83,656	2.4 %	84,855	2.8 %
Netherlands	9,978	0.3 %	-	- %
Pakistan	1,022	- %	1,090	- %
Peru	-	- %	13,039	0.4 %
Philippines	34,611	1.0 %	33,951	1.1 %
Poland	32,398	0.9 %	38,293	1.3 %
Qatar	33,828	1.0 %	33,496	1.1 %
Russia	126,577	3.7 %	113,551	3.8 %
South Africa	174,184	5.1 %	190,547	6.3 %
Turkey	17,818	0.5 %	19,041	0.6 %
Taiwan	427,446	12.5 %	347,905	11.5 %
Thailand	92,270	2.7 %	74,054	2.4 %
United Arab Emirates	20,567	0.6 %	21,385	0.7 %
United States	384,756	11.4 %	1,799	0.2 %
Total Equities	<u>\$ 3,428,105</u>	<u>100.0 %</u>	<u>\$ 3,026,396</u>	<u>100.0 %</u>

Fair Value Measurement Discussion
as at December 31

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

(in 000s)	December 31, 2019		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 3,428,105	\$ -	\$ 3,428,105
Floating Rate Funds	6,265,072	-	6,265,072
Investment Fund Investment	-	1,053	1,053
Total Investments	\$ 9,693,177	\$ 1,053	\$ 9,694,230
Swaps, Net	-	300,730	300,730
Total	<u>\$ 9,693,177</u>	<u>\$ 301,783</u>	<u>\$ 9,994,960</u>

(in 000s)	December 31, 2018		
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Public Equities	\$ 3,026,396	\$ -	\$ 3,026,396
Floating Rate Funds	1,657,197	-	1,657,197
Investment Fund Investment	-	7,346	7,346
Total Investments	\$ 4,683,593	\$ 7,346	\$ 4,690,939
Swaps, Net	-	34,321	34,321
Total	<u>\$ 4,683,593</u>	<u>\$ 41,667</u>	<u>\$ 4,725,260</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

INDEXED EMERGING MARKETS EQUITY FUND

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

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	1	\$ 20,580,634	\$ 6,265,072

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	1	\$ 12,850,451	\$ 1,657,197

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019	December 31, 2018
Assets			
Cash		\$ 84,763	\$ 23,018
Receivable from sale of investments		-	740
Dividends receivable		1,131	417
Security lending revenue receivable		26	58
Withholding tax reclaims receivable		908	373
Derivative assets:			
Foreign currency contracts		-	4
Swaps		25,982	-
Investments		2,574,371	1,429,410
		<u>2,687,181</u>	<u>1,454,020</u>
Liabilities			
Payable for purchase of investments		-	1,189
External management fees payable		-	496
BCI cost recoveries payable	4	2,339	1,728
Other accounts payable		62	62
Derivative liabilities:			
Foreign currency contracts		-	2
Swaps		-	877
		<u>2,401</u>	<u>4,354</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,684,780</u></u>	<u><u>\$ 1,449,666</u></u>
<i>Number of redeemable units outstanding</i>	5	<i>1,091.230</i>	<i>751.069</i>
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 2,460</u></u>	<u><u>\$ 1,930</u></u>

[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, 2019	Year Ended December 31, 2018
Revenue:			
Interest income		\$ 1,754	\$ 800
Dividend income		30,235	18,704
Securities lending income		741	1,196
Foreign exchange gain (loss)		(3,605)	1,412
Change in fair value of investments and derivatives:			
Net realized gain		184,576	14,585
Net change in unrealized appreciation		284,193	5,327
Total revenue		<u>497,894</u>	<u>42,024</u>
Expenses:			
BCI cost recoveries	4	6,402	5,003
External management fees		1,668	2,062
Administrative fees		104	140
Commissions and stock exchange fees		1,256	1,069
Withholding taxes	6	2,901	1,325
Total operating expenses		<u>12,331</u>	<u>9,599</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>485,563</u>	<u>32,425</u>
Distributions to holders of redeemable units:			
From net investment income		(18,046)	(12,651)
From net realized gains on investments and derivatives		(182,703)	(13,058)
		<u>(200,749)</u>	<u>(25,709)</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 284,814</u></u>	<u><u>\$ 6,716</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

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

	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance, beginning of year	\$ 1,449,666	\$ 1,417,241
Increase in net assets attributable to holders of redeemable units	284,814	6,716
Redeemable unit transactions:		
Proceeds from units issued	749,551	-
Reinvestment of distributions	200,749	25,709
Net increase from redeemable unit transactions	950,300	25,709
Balance, end of year	\$ 2,684,780	\$ 1,449,666

Statement of Cash Flows
(all amounts in thousands)

	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating activities:		
Increase in net assets attributable to holders of redeemable units	\$ 284,814	\$ 6,716
Adjustments for:		
Foreign exchange loss (gain)	3,605	(1,412)
Interest income	(1,754)	(800)
Dividend income	(30,235)	(18,704)
Withholding taxes	2,901	1,325
Net realized gain from investments and derivatives	(184,576)	(14,585)
Net change in unrealized appreciation of investments and derivatives	(284,193)	(5,327)
Non cash distributions	200,749	25,709
Proceeds from sale of investments	1,297,296	767,848
Amounts paid for purchase of investments	(2,000,794)	(771,759)
Security lending revenue receivable	32	17
External management fees payable	(496)	(29)
BCI cost recoveries payable	611	538
Other accounts payable	-	22
Interest received	1,754	800
Dividends received	29,521	18,802
Withholding taxes paid	(3,436)	(1,408)
	<u>(684,201)</u>	<u>7,753</u>
Financing activities:		
Proceeds from issuance of redeemable units	749,551	-
Net increase in cash	65,350	7,753
Effect of exchange rate changes on cash	(3,605)	1,412
Cash, beginning of year	23,018	13,853
Cash, end of year	\$ 84,763	\$ 23,018

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

THEMATIC PUBLIC EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,314,122	\$ 1,881,326	\$ 1,401,915	\$ 1,225,858
Direct Private Equity	8,764	7,500	7,481	7,500
	<u>2,322,886</u>	<u>1,888,826</u>	<u>1,409,396</u>	<u>1,233,358</u>
Money Market Investments:				
Units in BCI Pooled Investment Portfolio:				
Fund ST1	106	106	1	1
Fund ST2	98	99	198	199
	<u>204</u>	<u>205</u>	<u>199</u>	<u>200</u>
Floating Rate Funds:				
Units in BCI Pooled Investment Portfolio:				
CDOR1 Floating Rate Fund	251,281	251,307	-	-
LIBOR Floating Rate Fund	-	-	19,815	19,155
	<u>251,281</u>	<u>251,307</u>	<u>19,815</u>	<u>19,155</u>
Total Investments	<u>\$ 2,574,371</u>	<u>\$ 2,140,338</u>	<u>\$ 1,429,410</u>	<u>\$ 1,252,713</u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

Derivative Assets and Liabilities

as at December 31

(all amounts in thousands)

	2019		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 250,000	\$ 25,982	\$ -
Total	<u>\$ 250,000</u>	<u>\$ 25,982</u>	<u>\$ -</u>

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

Derivative Assets and Liabilities (continued)

as at December 31

(all amounts in thousands)

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

	December 31 2019	December 31 2018
Less than 3 months	<u>\$ 250,000</u>	<u>\$ 21,125</u>
Total	<u>\$ 250,000</u>	<u>\$ 21,125</u>

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

The Thematic Public Equity Fund (the "Fund") provides clients with exposure to a concentrated portfolio based on long-term economic, social, and environmental themes, exposure to a variety of developed and emerging markets, and market exposure globally across geographical lines, industry sectors, and market capitalizations. The performance objective of the Fund is to exceed the benchmark return of the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index") on a risk-adjusted basis. The Fund's secondary benchmark is the Canadian Consumer Price Index plus 350 basis points.

The Fund invests in the following securities:

- publicly traded common stock or common stock equivalents of countries included in the MSCI All Country World Constituent Index;
- exchange traded funds based on or correlated to the Index or a subset of the Index;
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management;
- money market securities rated A-1(Low) or better, units of BCI's Pooled Investment Portfolios Canadian Money Market Fund ST1, Canadian Money Market Fund ST2 and Canadian Money Market Fund ST3; and
- units in BCI's floating rate funds.

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested in the securities of a single company;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- If any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency and swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transacts with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of foreign currency and swap instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

	2019			2018		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
A	250,000	25,982	-	21,125	4	(879)
	250,000	25,982	-	21,125	4	(879)

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

Liquidity Risk

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

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

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2019		
	Carrying Value	Less than 3 months	Total
Derivative assets	\$ 25,982	\$ 25,982	\$ 25,982
	\$ 25,982	\$ 25,982	\$ 25,982
DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2018		
	Carrying Value	Less than 3 months	Total
Derivative assets	\$ 4	\$ 4	4
Derivative liabilities	(879)	(879)	(879)
	\$ (875)	\$ (875)	\$ (875)

Interest Rate Risk

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

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

Currency Risk

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

CURRENCY (in 000s)	2019			
	Net Investments and Investment- Related Receivables	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Danish Krone	197	-	197	- %
Euro	461,215	-	461,215	17.2 %
Hong Kong Dollar	28,135	-	28,135	1.0 %
Japanese Yen	145,887	(11,684)	134,203	5.0 %
Korean Won	25	-	25	- %
Norwegian Krone	84,206	-	84,206	3.1 %
Swiss Franc	26,179	-	26,179	1.0 %
Taiwan Dollar	13	-	13	- %
United States Dollar	1,626,448	-	1,626,448	60.6 %
Net Foreign Exchange Exposure	\$ 2,372,305	\$ (11,684)	\$ 2,360,621	87.9 %

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

Currency Risk (continued)

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

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 by \$23,606,000 (2018 - \$14,441,000), representing 0.9% of the Fund's net assets (2018 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

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

Other Price Risk

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

INDUSTRY SECTOR (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Public Equities				
Consumer Discretionary	\$ 339,194	14.6 %	\$ 225,898	16.0 %
Consumer Staples	131,146	5.6 %	55,658	3.9 %
Health Care	442,504	19.0 %	349,813	24.7 %
Industrial Products	307,326	13.2 %	258,523	18.3 %
Information Technology	683,155	29.4 %	356,503	25.5 %
Materials	159,827	6.9 %	39,032	2.8 %
Telecommunication Services	120,845	5.2 %	54,803	3.9 %
Utilities	130,125	5.6 %	61,685	4.4 %
Total Public Equities	2,314,122	99.5 %	1,401,915	99.5 %
Financial Services - Direct Private Equity Investment	8,764	0.5 %	7,481	0.5
Total Equities	\$ 2,322,886	100.0 %	\$ 1,409,396	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets attributable to redeemable units would have increased or decreased, respectively by approximately \$250,823,000 (2018 - \$142,755,000) or 9.3% (2018 - 9.8%) of net assets.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

Equity by Geographic Region

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

GEOGRAPHIC REGION (in 000s)	2019		2018	
	Total	% of Total	Total	% of Total
Public Equities				
Belgium	\$ -	- %	\$ 3,998	0.3 %
Canada	-	- %	428	- %
China	28,135	1.2 %	42,153	3.0 %
Denmark	-	- %	12,493	0.9 %
France	185,236	8.0 %	84,303	6.0 %
Germany	64,651	2.8 %	34,228	2.4 %
Hong Kong	-	- %	1,965	0.1 %
India	-	- %	241	- %
Ireland	-	- %	18,452	1.3 %
Israel	-	- %	778	0.1 %
Japan	132,792	5.7 %	100,728	7.1 %
Korea	-	- %	8,852	0.6 %
Malaysia	-	- %	935	0.1 %
Netherlands	78,370	3.4 %	43,807	3.1 %
New Zealand	-	- %	818	0.1 %
Norway	84,206	3.6 %	28,817	2.0 %
Russia	-	- %	1,035	0.1 %
Singapore	-	- %	705	0.1 %
Spain	118,124	5.1 %	78,139	5.5 %
Sweden	-	- %	1,104	0.1 %
Switzerland	26,125	1.1 %	6,282	0.4 %
Taiwan	-	- %	21,164	1.5 %
Thailand	-	- %	643	- %
United Kingdom	-	- %	10,493	0.8 %
United States	1,596,483	68.7 %	899,354	64.0 %
Total Public Equities	2,314,122	99.6 %	1,401,915	99.5 %
Canadian Direct Private Equity Investment	8,764	0.4 %	7,481	0.5 %
Total Equities	\$ 2,322,886	100.0 %	\$ 1,409,396	100.0 %

Fair Value Measurement Discussion
as at December 31

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

	December 31, 2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Public Equities	\$ 2,314,122	\$ -	\$ -	\$ 2,314,122
Direct Private Equity Investment	-	-	8,764	8,764
Money Market Funds	204	-	-	204
Floating Rate Funds	251,281	-	-	251,281
Total Investments	\$ 2,565,607	\$ -	\$ 8,764	\$ 2,574,371
Swaps, Net	-	25,982	-	25,982
Total	\$ 2,565,607	\$ 25,982	\$ 8,764	\$ 2,600,353

	December 31, 2018			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
(in 000s)				
Public Equities	\$ 1,401,915	\$ -	\$ -	\$ 1,401,915
Direct Private Equity Investment	-	-	7,481	7,481
Money Market Funds	199	-	-	199
Floating Rate Funds	19,815	-	-	19,815
Total Investments	\$ 1,421,929	\$ -	\$ 7,481	\$ 1,429,410
Foreign Currency Contracts, Net	-	2	-	2
Swaps, Net	-	(877)	-	(877)
Total	\$ 1,421,929	\$ (875)	\$ 7,481	\$ 1,428,535

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

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

During 2019 and 2018, there were no significant transfers between the three levels in the hierarchy.

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

	2019 (in 000s)	2018 (in 000s)
Opening Balance as at January 1	\$ 7,481	\$ 4,800
Total gains or losses recognized in profit or loss	1,283	2,681
Purchases	-	-
Sales	-	-
Closing Balance at December 31	<u>\$ 8,764</u>	<u>\$ 7,481</u>
Total unrealized gains or losses for the period included in profit or loss relating to level 3 investments held at the reporting date	<u>\$ 1,283</u>	<u>\$ 2,681</u>

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

Significant Unobservable Inputs Used in Measuring Fair Value

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

2019					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 8,764	Market approach	Revenue multiple	8.3	The estimated fair value would increase (decrease) if the EV multiples were higher (lower).
2018					
	Fair Value (in 000s)	Valuation Technique	Unobservable Input	Amount / Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity	\$ 7,481	Market approach	Revenue Multiple	9.1	The estimated fair value would increase (decrease) if the EV multiples were higher (lower).

Significant unobservable inputs are developed as follows:

Revenue multiples:

Revenue multiples are selected from comparable public companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The traded multiples for the comparable companies are determined by dividing the enterprise value of the company by its revenue and further discounted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

THEMATIC PUBLIC EQUITY FUND

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

Effects of Unobservable Input on Fair Value Measurement

The direct private equity investment is valued based on information received from the management of the investee.

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

The following table shows how the net assets attributable to holders of redeemable units would change if the valuation of the direct private equity investment was calculated by adjusting the investment's fair market value by 10%.

(in 000s)	2019	2018
Favourable	\$ 876	\$ 748
Unfavourable	\$ (876)	\$ (748)

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019 and 2018, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	3	\$ 25,433,088	\$ 251,485

Entity	December 31, 2018		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	3	\$ 4,310,304	\$ 20,014

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ESG EQUITY FUND

Statement of Financial Position

(all amounts in thousands except number of units)

	Note	December 31, 2019 (note 1)
Assets		
Cash		\$ 183
Derivative assets:		
Swaps		73,480
Investments		2,630,382
		<u>2,704,045</u>
Liabilities		
BCI cost recoveries payable	4	488
Other accounts payable		14
Derivative liabilities:		
Swaps		12,600
		<u>13,102</u>
Net assets attributable to holders of redeemable units		<u><u>\$ 2,690,943</u></u>
<i>Number of redeemable units outstanding</i>	5	2,609.517
Net assets attributable to holders of redeemable units per unit		<u><u>\$ 1,031</u></u>

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

Statement of Comprehensive Income

(all amounts in thousands)

	Note	Period Ended December 31, 2019 (note 1)
Revenue:		
Interest income		\$ 7,475
Dividend income		251
Securities lending income		73
Foreign exchange loss		(881)
Change in fair value of investments and derivatives:		
Net realized gain		6,202
Net change in unrealized appreciation		61,214
Total revenue		<u>74,334</u>
Expenses:		
BCI cost recoveries	4	986
Administrative fees		23
Commissions and stock exchange fees		200
Withholding taxes	6	2
Total operating expenses		<u>1,211</u>
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		<u>73,123</u>
Distributions to holders of redeemable units:		
From net investment income		(5,906)
From net realized gains on investments and derivatives		(6,002)
		<u>(11,908)</u>
Increase in net assets attributable to holders of redeemable units		<u><u>\$ 61,215</u></u>

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ESG EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units (all amounts in thousands)	
	Period Ended December 31, 2019 <i>(note 1)</i>
Balance, beginning of period	\$ -
Increase in net assets attributable to holders of redeemable units	61,215
Redeemable unit transactions:	
Proceeds from units issued	2,617,820
Reinvestment of distributions	11,908
Net increase from redeemable unit transactions	2,629,728
Balance, end of period	\$ 2,690,943

Statement of Cash Flows (all amounts in thousands)	
	Period Ended December 31, 2019 <i>(note 1)</i>
Operating activities:	
Increase in net assets attributable to holders of redeemable units	\$ 61,215
Adjustments for:	
Foreign exchange loss	881
Interest income	(7,475)
Dividend income	(251)
Withholding taxes	2
Net realized gain from investments and derivatives	(6,202)
Net change in unrealized appreciation of investments and derivatives	(61,214)
Non cash distributions	11,908
Proceeds from sale of investments	753,157
Amounts paid for purchase of investments	(3,377,003)
BCI cost recoveries payable	488
Other accounts payable	14
Interest paid	7,475
Dividends received	251
Withholding taxes paid	(2)
	<u>(2,616,756)</u>
Financing activities:	
Proceeds from issue of redeemable units	2,617,820
Net increase in cash	1,064
Effect of exchange rate changes on cash	(881)
Cash, beginning of period	-
Cash, end of period	\$ 183

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ESG EQUITY FUND

Schedule of Investments

as at December 31

(all amounts in thousands)

	2019	
	Fair Value	Cost
Money Market Investments:		
Units in BCI Pooled Investment Portfolio:		
Fund ST1	3,449	3,450
Floating Rate Funds:		
Units in BCI Pooled Investment Portfolio:		
CDOR 3 Floating Rate Fund	2,626,933	2,626,598
Total Investments	\$ 2,630,382	\$ 2,630,048

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

GLOBAL QUANTITATIVE ESG EQUITY FUND

Derivative Assets and Liabilities			
as at December 31			
(all amounts in thousands)			
	2019		
	Fair Value		
	Notional Value (note A)	Assets (note B)	Liabilities
Equity derivatives:			
OTC			
Swaps	\$ 5,726,498	\$ 73,480	\$ (12,600)
Total	\$ 5,726,498	\$ 73,480	\$ (12,600)

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

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

	December 31 2019
Less than 3 months	\$ 104,000
3 to 12 months	5,622,498
Total	\$ 5,726,498

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

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ESG EQUITY FUND

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

The Global Quantitative ESG Equity Fund (the "Fund") provides participating clients with exposure to equity markets from across the globe and provides a greater weight to equities with high environmental, social, and governance ("ESG") ratings relative to their sector peers.

The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"), Total Return, 100% unhedged in Canadian dollar terms. The investment objective of the Fund is to exceed the benchmark return on a risk-adjusted basis.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents;
- publicly traded income trust units;
- limited partnership interests, royalty trusts, and real estate investment trusts that trade on recognized exchanges;
- exchange traded funds based on or correlated to the Index or a subset of the Index;
- derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management;
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval;
- money market securities rated A-1 (low) or better, in units of the Canadian Money Market Fund (ST1), Canadian Money Market Fund (ST2) and/or US Dollar Money Market Fund (ST3); and
- units in the Floating Rate Funds.

The following restrictions apply to the Fund:

- no more than 10% of the market value of the Fund can be invested in the securities of one company;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, counterparties to all derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the

See accompanying Notes to the Financial Statements.

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

sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

Note 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

The Fund uses derivative financial instruments to replicate equity investment returns of selected long and short equity positions through synthetic exposure.

Credit Risk

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

The Fund invests in swap contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through an evaluation of the credit quality of each counterparty that transactions with the Fund. Collateral management is centralized by BCI and collateral is held and pledged on a net basis with the counterparty generally at a value equal to the underlying derivative financial instrument. The credit risk exposure of swap instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

	2019	
	Notional Value	Fair Value
		Derivative Assets Derivative Liabilities
AAA/AA	2,604,000	64,434 -
A	3,122,498	9,046 (12,600)
	<u>5,726,498</u>	<u>73,480</u> <u>(12,600)</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ESG EQUITY FUND

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

Liquidity Risk

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

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

DERIVATIVE FINANCIAL INSTRUMENTS (in 000s)	2019					Total
	Carrying Value	Less than 3 months	3 to 12 months	Over 1 year		
Derivative assets	\$ 73,480	\$ 1,949	\$ 71,531	\$ -	\$	73,480
Derivative liabilities	(12,600)	-	(12,600)	-		(12,600)
	<u>\$ 60,880</u>	<u>\$ 1,949</u>	<u>\$ 58,931</u>	<u>\$ -</u>	<u>\$</u>	<u>60,880</u>

Interest Rate Risk

The Fund is not exposed to significant changes in cash flows as a result of interest rate risk as the securities held within the Fund are floating rate instruments.

Currency Risk

The Fund holds derivative financial assets and liabilities denominated in U.S. currency totalling \$60,880,000 CAD, which represents 2.3% of the net asset value of the Fund. As at December 31, if the Canadian dollar had strengthened/ weakened by 1% in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$608,800. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

The majority of the Fund's non-derivative financial assets and liabilities are held in securities that are denominated in Canadian dollars, and are therefore not subject to significant currency risk.

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

Other Price Risk

Management monitors the concentration of risk for equity securities based on industry and geographic location. As at December 31, 2019, the Fund held no equity investments and used derivative financial instruments to track the Fund's Index as well as overweights and underweights relative to the Index. As at December 31, 2019 the Fund's exposure through derivative instruments is concentrated in the following industries:

INDUSTRY SECTOR (in 000s)	2019	
	Total	% of Total
Consumer Discretionary	\$ 230,169	8.6 %
Consumer Staple	191,850	7.1 %
Energy	140,664	5.2 %
Financial Services	411,275	15.3 %
Health Care	355,289	13.2 %
Industrial Products	278,346	10.3 %
Information Technology	458,961	17.1 %
Materials and Processing	173,954	6.5 %
Real Estate	78,599	2.9 %
Telecommunication Services	239,165	8.9 %
Utilities	132,990	4.9 %
Total Exposure	<u>\$ 2,691,262</u>	<u>100.0 %</u>

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$272,591,000 or 10.1% of net assets.

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

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ESG EQUITY FUND

Financial Risk Management Discussion (continued)
as at December 31

Other Price Risk (continued)

Equity by Geographic Region

As at December 31, 2019 the Fund's exposure through derivative instruments is concentrated in the following geographic regions:

GEOGRAPHIC REGION
(in 000s)

	Total	% of Total
Australia	\$ 61,017	2.3 %
Austria	1,937	0.1 %
Belgium	(101)	- %
Denmark	6,652	0.2 %
Finland	28,841	1.1 %
France	109,382	4.1 %
Germany	48,913	1.8 %
Hong Kong	23,194	0.9 %
Ireland	1,619	0.1 %
Italy	21,330	0.8 %
Japan	233,433	8.7 %
Israel	3,033	0.1 %
Netherlands	78,648	2.9 %
New Zealand	1,612	0.1 %
Norway	19,417	0.7 %
Portugal	422	- %
Singapore	18,542	0.7 %
Spain	30,348	1.1 %
Sweden	17,936	0.7 %
Switzerland	77,032	2.9 %
United Kingdom	157,591	5.9 %
United States	1,750,464	64.8 %
Total Exposure	<u>\$ 2,691,262</u>	<u>100.0 %</u>

Fair Value Measurement Discussion
as at December 31

As described in note 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

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

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

	December 31, 2019		
	Level 1	Level 2	Total
	(Quoted Price in Active Market)	(Significant Observable Inputs)	
(in 000s)			
Floating Rate Funds	2,626,933	-	2,626,933
Money Market Funds	3,449	-	3,449
Total Investments	\$ 2,630,382	\$ -	\$ 2,630,382
Swaps, Net	-	60,880	60,880
Total	<u>\$ 2,630,382</u>	<u>\$ 60,880</u>	<u>\$ 2,691,262</u>

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

During 2019, there were no significant transfers between the three levels in the hierarchy.

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIO

GLOBAL QUANTITATIVE ESG EQUITY FUND

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2019, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below sets out the interests held by the Fund in these structured entities:

Entity	December 31, 2019		
	Number of Investee Funds	Total Net Assets of Investee Funds (in 000s)	Carrying amount included in Investments in the Statement of Financial Position (in 000s)
Investee funds administered by BCI	2	6,683,655	2,630,382

See accompanying Notes to the Financial Statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED DECEMBER 31, 2019

1. The Portfolios

British Columbia Investment Management Corporation ("BCI") was established under the *Public Sector Pension Plans Act* as a trust company authorized to carry on trust business and investment management services. The address of BCI's registered office is 750 Pandora Avenue, Victoria, British Columbia, Canada. These financial statements have been prepared by BCI and are the responsibility of BCI management.

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (the "Regulations"), BCI may establish and operate pooled investment portfolios ".... in which money from trust funds, special funds or other funds, other public money and the money of government bodies and designated institutions may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio." In addition, pooled investment portfolios (the Funds) previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, to be held in trust by BCI and invested by the Chief Investment Officer of BCI.

The Funds were established on the following dates:

Pooled Investment Portfolios	Dates Established		Pooled Investment Portfolios	Dates Established
Active Canadian Equity Fund	July 26, 1990		Active Global Equity Fund	June 19, 2009
Active Canadian Small Cap Equity Fund	March 20, 2008		Global Quantitative Active Equity Fund	August 23, 2011
Canadian Quantitative Active Equity Fund	November 27, 2002		Indexed Global Equity Fund	December 7, 2011
Indexed Canadian Equity Fund	December 12, 1989		Active Emerging Markets Equity Fund	March 31, 2008
Active U.S. Small Cap Equity Fund	March 13, 2008		Indexed Emerging Markets Equity Fund	July 31, 2013
Indexed U.S. Equity Fund	February 6, 1995		Thematic Public Equity Fund	December 31, 2012
Active Asian Equity Fund	January 2, 1998		Global Quantitative ESG Equity Fund	November 5, 2019
Active European Equity Fund	January 2, 1998			

The Global Quantitative ESG Equity Fund was established in 2019, therefore no comparative information has been presented in the respective financial statements.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). These financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on April 3, 2020.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgment

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

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition and measurement

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

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expire.

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

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

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

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

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

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

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

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

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Fair value through profit and loss

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the statement of comprehensive income in the period in which they occur. The Funds' investments, derivative financial instruments, and redeemable units are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative financial instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of BCI, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iii) Amortized Cost

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses. The Funds classify cash, receivable from sale of investments, receivable from issuance of units, dividend receivable, interest receivable, other accounts payable, payable for purchase of investments, payable for redemption of units, external management fees payable and BCI cost recoveries payable, as amortized cost.

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

3. Significant accounting policies (continued)

(b) Redeemable units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the Regulations, each Fund is required to distribute, to unitholders of the respective Fund's redeemable units, the taxable income and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are recognized in the statement of comprehensive income when they are authorized and no longer at the discretion of BCI.

(c) Issue and redemption of units

Participation in each Fund is expressed in units. The initial value of a unit on inception is \$1 million. For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis. All of the Funds were open-ended Funds throughout the year where the number of units available for issue was unlimited and the proportion of units issued or redeemed by each client on a particular valuation date depended on changes to their desired asset allocation.

(d) Foreign exchange

These financial statements are denominated in Canadian dollars. Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the statement of comprehensive income.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

3. Significant accounting policies (continued)

(e) Revenue recognition

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

(f) Securities lending

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

(g) Income taxes

The Funds qualify as inter-vivos trusts under section 108(1) of the *Income Tax Act (Canada)*. All of the Funds' net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders such that no income tax is payable by the Funds. As a result, the Funds do not record income taxes. Income taxes associated with any of the Funds' underlying investments are accounted for in determining the fair value of the respective investments.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

3. Significant accounting policies (continued)

(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, 2019, 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, 2020:

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)

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. BCI cost recoveries and the corresponding payable are disclosed in each Fund's statement of comprehensive income and statement of financial position, respectively.

Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on a basis equivalent to those in an arm's length transaction.

Payable to and receivable from BCI Funds

In May 2018, the Global Quantitative Active Equity Fund entered into an agreement with the Indexed Global Equity Fund whereby the Global Quantitative Active Equity Fund received funding from the Indexed Global Equity Fund to purchase and hold securities on its behalf. The terms of the agreement were equivalent to those prevailing in an arm's length transaction, with each Fund's interests represented by different BCI personnel. At maturity of the agreement in September 2019, the Global Quantitative Active Equity Fund delivered the securities to the Indexed Global Equity Fund, including forgone dividends, transaction costs, securities lending opportunity cost and a convenience fee.

The fair value of the payable to the Indexed Global Equity Fund and the receivable from the Global Quantitative Active Equity Fund was \$21.7 million.

Swaps between BCI Funds

During the year ended December 31, 2018, the Active Global Equity Fund entered into four internal total return equity swaps with the Indexed Global Equity Fund, with a total notional value of \$1,154 million, which matured in February 2019. The terms of the total return equity swaps between these Funds were equivalent to an equal and offsetting arm's length transaction between the Indexed Global Equity Fund and an external counterparty.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED DECEMBER 31, 2019

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 periods ended:

	ACTIVE CANADIAN EQUITY FUND		ACTIVE CANADIAN SMALL CAP EQUITY FUND		CANADIAN QUANTITATIVE ACTIVE EQUITY FUND		INDEXED CANADIAN EQUITY FUND	
	2019	2018	2019	2018	2019	2018	2019	2018
Outstanding, beginning of period	372.960	362.587	583.524	418.107	814.528	814.528	471.740	939.641
Issued for cash	118.863	65.226	243.695	165.417	87.486	136.768	575.015	144.868
Issued on reinvestment of distributions	9.043	10.674	13.458	24.063	67.776	3.737	84.360	131.261
Consolidation of units	(9.043)	(10.674)	(13.458)	(24.063)	(67.776)	(3.737)	(84.360)	(131.261)
Redeemed	(130.646)	(54.853)	(43.129)	-	(687.886)	(136.768)	(544.487)	(612.769)
Outstanding, end of period	361.177	372.960	784.090	583.524	214.128	814.528	502.268	471.740

	ACTIVE U.S. SMALL CAP EQUITY FUND		INDEXED U.S. EQUITY FUND		ACTIVE ASIAN EQUITY FUND		ACTIVE EUROPEAN EQUITY FUND	
	2019	2018	2019	2018	2019	2018	2019	2018
Outstanding, beginning of period	376.556	325.454	333.942	649.744	504.472	679.763	821.347	821.347
Issued for cash	86.753	51.102	110.061	53.532	1.380	-	138.741	-
Issued on reinvestment of distributions	28.434	40.188	69.350	185.137	21.464	101.189	54.314	27.499
Consolidation of units	(28.434)	(40.188)	(69.350)	(185.137)	(21.464)	(101.189)	(54.314)	(27.499)
Redeemed	(8.745)	-	(41.198)	(369.334)	(1.380)	(175.291)	(138.507)	-
Outstanding, end of period	454.564	376.556	402.805	333.942	504.472	504.472	821.581	821.347

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED DECEMBER 31, 2019

5. Redeemable units (continued)

	ACTIVE GLOBAL EQUITY FUND		GLOBAL QUANTITATIVE ACTIVE EQUITY FUND		INDEXED GLOBAL EQUITY FUND		ACTIVE EMERGING MARKETS EQUITY FUND	
	2019	2018	2019	2018	2019	2018	2019	2018
Outstanding, beginning of period	1,319.281	1,321.096	1,184.327	1,184.327	5,931.507	4,498.593	5,530.111	6,152.941
Issued for cash	714.439	-	-	23.951	1,380.937	2,561.232	294.761	73.283
Issued on reinvestment of distributions	34.011	70.388	110.880	98.847	769.009	420.555	441.771	-
Consolidation of units	(34.011)	(70.388)	(110.880)	(98.847)	(769.009)	(420.555)	(441.771)	-
Redeemed	(1,110.774)	(1.815)	-	(23.951)	(2,394.161)	(1,128.318)	(3,357.274)	(696.113)
Outstanding, end of period	922.946	1,319.281	1,184.327	1,184.327	4,918.283	5,931.507	2,467.598	5,530.111

	INDEXED EMERGING MARKETS EQUITY FUND		THEMATIC PUBLIC EQUITY FUND		GLOBAL QUANTITATIVE ESG EQUITY FUND
	2019	2018	2019	2018	2019
Outstanding, beginning of period	3,168.712	1,345.302	751.069	751.069	-
Issued for cash	3,292.946	1,983.362	340.161	-	2,609.517
Issued on reinvestment of distributions	164.802	52.239	81.973	13.079	11.563
Consolidation of units	(164.802)	(52.239)	(81.973)	(13.079)	(11.563)
Redeemed	(507.170)	(159.952)	-	-	-
Outstanding, end of period	5,954.488	3,168.712	1,091.230	751.069	2,609.517

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED DECEMBER 31, 2019

6. Withholding tax expense

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

Pooled Investment Portfolios	2019	2018
Active Asian Equity Fund	7.52 %	8.71 %
Active European Equity Fund	10.55 %	11.50 %
Active Global Equity Fund	5.88 %	6.63 %
Global Quantitative Active Equity Fund	4.70 %	4.76 %
Indexed Global Equity Fund	4.45 %	4.61 %

Pooled Investment Portfolios	2019	2018
Active Emerging Markets Equity Fund	9.17 %	10.53 %
Indexed Emerging Markets Equity Fund	10.21 %	16.68 %
Thematic Public Equity Fund	9.59 %	7.08 %
Global Quantitative ESG Equity Fund	0.80 %	N/A

7. Financial risk management

(a) Risk management framework

Each Fund has its own investment objectives. The Funds' overall risk management program seeks to minimize the potentially adverse effect of risk on the Funds' financial performance in a manner consistent with the Funds' investment objectives. In the normal course of business, each Fund is exposed to financial risks including credit risk, liquidity risk, and market risk (including interest rate risk, currency risk and other price risk). The level of risk varies depending on the investment objective of the Fund and the type of investments it holds.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

7. Financial risk management (continued)

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets, which include foreign currency contracts, cash and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the statement of financial position reflects the Fund's maximum exposure to credit risk.

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

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

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

The Funds' activities may also give rise to settlement risk. Settlement risk is the risk of loss due to failure of an entity to honour its obligations to deliver cash, securities, or other assets prior to the settlement of the transaction as contractually agreed. All investment transactions are settled or paid upon delivery with approved brokers. The risk of default is mitigated since the delivery of securities sold is made simultaneously with the broker receiving payment. Payment is made on a purchase once the securities have been received by the broker. The trade fails if either party fails to meet its obligations.

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

7. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. BCI's approach to managing liquidity risk is to ensure, as far as possible, that each Fund has sufficient liquidity to meet its liabilities when due. Each Fund is exposed to the liquidity risk associated with the requirement to redeem units. Units of a Fund may only be acquired by eligible clients or client groups in accordance with the respective Fund's purchasing limits that may be established by the Chief Investment Officer (CIO). In order to protect the interest of all clients, the CIO may also establish redemption limits for each Fund. The purchase and redemption limits may vary depending on market circumstances, client demand, and the liquidity of the underlying investments.

The Funds' cash position is monitored on a daily basis. In general, investments in cash and BCI Money Market Funds are expected to be highly liquid. BCI management utilizes appropriate measures and controls to monitor liquidity risk in order to ensure that there is sufficient liquidity to meet financial obligations as they come due. The Funds' liquidity position is monitored daily by taking into consideration future forecasted cash flows. This attempts to ensure that sufficient cash reserves are available to meet forecasted cash outflows.

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

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Funds' income or the fair value of its holdings of financial instruments. Each Fund's strategy for the management of market risk is driven by the Fund's investment objective. Investment objectives for the Funds are outlined in the notes specific to each Fund.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates.

Money market investments and bonds are subject to interest rate risk. The Funds that hold these investments have established duration bands based on their relevant benchmarks to avoid undue active interest rate risk. Money market funds invest in short-term investments and have low interest rate risk.

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

7. Financial risk management (continued)

(d) Market risk (continued)

(ii) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the functional currency of the Funds will fluctuate due to changes in foreign exchange rates.

Some Funds are exposed to currency risk through holding of investments, investment receivables and investment liabilities in various currencies. The Funds may use foreign currency contracts to hedge some foreign currency exposure on investment-related receivables and liabilities and engage in the buying and selling of currencies through the spot market, forward contracts, futures contracts, and/or options in order to achieve the desired currency exposure.

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

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

All financial instruments are subject to other price risk and a potential loss of capital. The maximum risk is determined by the market value of the financial instruments. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk. BCI management monitors active price risk on a monthly basis. Tracking error and beta statistics for all equity Funds are compiled to review that the level of risk is consistent with each Fund's objective.

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIODS ENDED DECEMBER 31, 2019

8. Fair value of financial instruments

(a) Fair value hierarchy

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

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

Level 1 inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2 inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 inputs that are unobservable.

See additional discussion on the three-tier hierarchy in the Fair Value Measurement Discussion in the notes specific to each Fund.

(b) Valuation models

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Funds use widely recognized valuation methods for determining the fair value of common and more simple financial instruments such as foreign currency contracts and money market instruments that use only observable market data which requires little management judgment and estimation. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exists and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, money market prices, and foreign currency exchange rates in estimating valuations of foreign currency contracts.

Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED DECEMBER 31, 2019

8. Fair value of financial instruments (continued)

(c) Valuation framework

When third party information, such as broker quotes or pricing services, is used to measure fair value, then management assesses and documents the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS. This includes:

- ◆ verifying that the broker or pricing service is approved by the Funds for use in pricing the relevant type of financial instrument;
- ◆ understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- ◆ when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- ◆ if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

(d) Financial instruments not measured at fair value

The carrying value of cash, receivable from sale of investments, receivable from issuance of units, dividends receivable, interest receivable, other receivables, payable for purchase of investments, payable for redemption of units, BCI cost recoveries payable, external management fees payable, and other accounts payable approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

9. Taxes

Net cumulative capital losses and non-capital losses for each Fund having such losses are as follows:

Pooled Investment Portfolios (in \$000s)	As of December 31, 2019	
	Net Capital Losses	Non-capital Losses
Active Canadian Equity Fund	9,724	-
Active Canadian Small Cap Equity Fund	13,918	-

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.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE PERIODS ENDED DECEMBER 31, 2019

10. Securities subject to lending arrangements

The fair value of securities on loan at December 31 and percentage of securities on loan for the Funds was as follows:

Pooled Investment Portfolios	Fair Value of Securities on Loan (in \$000s)		Percentage of securities on loan	
	2019	2018	2019	2018
Active Canadian Equity Fund	203,067	285,969	4.1 %	7.0 %
Active Canadian Small Cap Equity Fund	335,293	121,924	20.8 %	12.0 %
Canadian Quantitative Active Equity Fund	50,366	33,268	5.5 %	7.2 %
Indexed Canadian Equity Fund	267,672	286,635	9.4 %	10.8 %
Active U.S. Small Cap Equity Fund	692,293	330,457	35.1 %	25.5 %
Indexed U.S. Equity Fund	322,993	203,388	7.0 %	7.1 %
Active Asian Equity Fund	138,256	182,242	6.3 %	9.6 %
Active European Equity Fund	91,547	110,825	4.3 %	5.9 %
Active Global Equity Fund	235,547	123,676	8.4 %	5.9 %
Global Quantitative Active Equity Fund	-	311,243	- %	9.5 %
Indexed Global Equity Fund	431,537	607,636	7.0 %	8.3 %
Active Emerging Markets Equity Fund	129,681	316,768	3.4 %	5.7 %
Indexed Emerging Markets Equity Fund	136,757	148,200	4.0 %	4.9 %
Thematic Public Equity Fund	261,066	229,762	11.3 %	16.4 %

11. Subsequent event

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. COVID-19 and its negative impact on the global economy has resulted in a decline in the global financial market and significantly increased volatility. Given the extent of the crisis, it is difficult to estimate the duration of the increased volatility or the ultimate impact on the investment performance of the Fund.



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