



PRIVATE EQUITY

Pooled Fund Financial Statements

DECEMBER 2020

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

GROUP OF FUNDS

Private Placement Fund 1996
Private Placement Fund 1997
Private Placement Fund 1998
Private Placement Fund 1999
Private Placement Fund 1999A
2000 Private Placement Fund
2001 Private Placement Fund
2002 Private Placement Fund
2003 Private Placement Fund
2004 Private Placement Fund
2005 Private Placement Fund
2006 Private Placement Fund
2007 Private Placement Fund
2008 Private Placement Fund
2009 Private Placement Fund
2010 Private Placement Fund
2011 Private Placement Fund
2012 Private Placement Fund
2013 Private Placement Fund
2014 Private Placement Fund
2015 Private Placement Fund
2016 Private Placement Fund
2017 Private Equity Fund
2018 Private Equity Fund
2019 Private Equity Fund
2020 Private Equity Fund

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

British Columbia Investment Management Corporation (BCI) manages Pooled Investment Portfolios ("PIPs") on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. This report contains the financial statements for the following PIPs for the year ended December 31, 2020:

Private Placement Fund 1996	2004 Private Placement Fund	2013 Private Placement Fund
Private Placement Fund 1997	2005 Private Placement Fund	2014 Private Placement Fund
Private Placement Fund 1998	2006 Private Placement Fund	2015 Private Placement Fund
Private Placement Fund 1999	2007 Private Placement Fund	2016 Private Placement Fund
Private Placement Fund 1999A	2008 Private Placement Fund	2017 Private Equity Fund
2000 Private Placement Fund	2009 Private Placement Fund	2018 Private Equity Fund
2001 Private Placement Fund	2010 Private Placement Fund	2019 Private Equity Fund
2002 Private Placement Fund	2011 Private Placement Fund	2020 Private Equity Fund
2003 Private Placement Fund	2012 Private Placement Fund	

The financial statements of the PIPs 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 PIPs, reviewing the external audit plan; reviewing BCI's System and Organization Controls Report for the Investment System of British Columbia Investment Management Corporation, and reviewing the annual audited financial statements of the PIPs. 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 PIP 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 PIPs' financial statements and related findings with respect to such audits. Each of the PIP 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 PIP financial statements.

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer / Chief Investment Officer

[S] Umar Malik

Umar Malik
Senior Vice President, Finance & CFO

Victoria, British Columbia
July 12, 2021



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INDEPENDENT AUDITORS' REPORT

To the unitholders of the following Private Equity – Pooled Investment Portfolios managed by British Columbia Investment Management Corporation

Private Placement Fund 1996	2008 Private Placement Fund
Private Placement Fund 1997	2009 Private Placement Fund
Private Placement Fund 1998	2010 Private Placement Fund
Private Placement Fund 1999	2011 Private Placement Fund
Private Placement Fund 1999A	2012 Private Placement Fund
2000 Private Placement Fund	2013 Private Placement Fund
2001 Private Placement Fund	2014 Private Placement Fund
2002 Private Placement Fund	2015 Private Placement Fund
2003 Private Placement Fund	2016 Private Placement Fund
2004 Private Placement Fund	2017 Private Equity Fund
2005 Private Placement Fund	2018 Private Equity Fund
2006 Private Placement Fund	2019 Private Equity Fund
2007 Private Placement Fund	2020 Private Equity Fund

(collectively, the “Funds”)

Opinion

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

- the statements of financial position as at December 31, 2020
- the statements of comprehensive income (loss) for the year then ended (period from inception on January 21, 2020 to December 31, 2020 only for the 2020 Private Equity Fund)
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended (period from inception on January 21, 2020 to December 31, 2020 only for the 2020 Private Equity Fund)
- the statements of cash flows for the year then ended (period from inception on January 21, 2020 to December 31, 2020 only for the 2020 Private Equity Fund)
- 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, 2020, and their financial performance and their cash flows for the year then ended (period from inception on January 21, 2020 to December 31, 2020 only for the 2020 Private Equity Fund) 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 Manager's 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' abilities to continue as going concerns. 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 going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.



Chartered Professional Accountants

Vancouver, Canada
July 12, 2021

PRIVATE PLACEMENT FUND 1996

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Investments		\$ 218	\$ 221
Total assets		218	221
Liabilities			
BCI cost recoveries payable	4	65	62
Other accounts payable		134	131
		199	193
Net assets attributable to holders of redeemable units		\$ 19	\$ 28
Number of redeemable units outstanding	5	0.106	0.035
Net assets attributable to holders of redeemable units per unit		\$ 179	\$ 800
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

PRIVATE PLACEMENT FUND 1996

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized loss		\$ (3)	\$ —
Net change in unrealized appreciation		(4)	(21)
Total revenue		(7)	(21)
Expenses			
BCI cost recoveries	4	38	40
Administrative fees		34	43
Total operating expenses		72	83
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		(79)	(104)
Decrease in net assets attributable to holders of redeemable units		\$ (79)	\$ (104)

See accompanying Notes to the Financial Statements

PRIVATE PLACEMENT FUND 1996**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 28	\$ 55
Decrease in net assets attributable to holders of redeemable units	(79)	(104)
Redeemable unit transactions:		
Proceeds from units issued	70	77
Net increase from redeemable unit transactions	70	77
Balance, end of year	\$ 19	\$ 28

PRIVATE PLACEMENT FUND 1996

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (79)	\$ (104)
Adjustments for:		
Net realized loss from investments	3	—
Net change in unrealized appreciation of investments	4	21
Proceeds from sale of investments	19	2
Amounts paid for purchase of investments	(23)	(123)
BCI cost recoveries payable	3	7
Other accounts payable	3	120
	(70)	(77)
Financing activities		
Proceeds from issuance of redeemable units	70	77
	70	77
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

PRIVATE PLACEMENT FUND 1996

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 210	\$ 162	\$ 211	\$ 162
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	8	8	10	10
Total Investments	\$ 218	\$ 170	\$ 221	\$ 172

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

PRIVATE PLACEMENT FUND 1996

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 191	91.0 %	\$ 192	91.0 %
BCI money market funds	19	9.0	19	9.0
Total	\$ 210	100.0 %	\$ 211	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

PRIVATE PLACEMENT FUND 1996

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$204 CAD which represents 1073.7% of the net asset value of the Fund (2019 - \$205 CAD which represented 732.1% of the net asset value of the Fund).

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

As at December 31, 2020, 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 \$2(2019 - \$2), representing 10.5% of the Fund's net assets (2019 - 7.1%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2020, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$416 (2019 - \$423). As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by 4 (2019 - \$4). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$22 (2019 - \$22), representing 115.8% (2019 - 78.6%) of the Fund's net assets attributable to holders of redeemable units.

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

PRIVATE PLACEMENT FUND 1996

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 191	\$ 191	\$ —	\$ —	\$ 192	\$ 192
BCI money market funds	27	—	—	27	29	—	—	29
Total investments	\$ 27	\$ —	\$ 191	\$ 218	\$ 29	\$ —	\$ 192	\$ 221

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 192	\$ 100
Total gains (losses) recognized in profit or loss	(1)	92
Closing balance, end of year	\$ 191	\$ 192
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (1)	\$ 92

During 2020 and 2019, there were no significant transfers into or out of Level 3.

PRIVATE PLACEMENT FUND 1996

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 191	Net Asset Value	Net Asset Value	\$ 191	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 192	Net Asset Value	Net Asset Value	\$ 192	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	19	\$	19
Unfavourable		(19)		(19)

PRIVATE PLACEMENT FUND 1996

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 27	2	\$ 1,830,990	\$ 28
Unlisted private equity investee funds administered by third party managers	2	3,375	191	2	3,686	192

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

PRIVATE PLACEMENT FUND 1997

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 328	\$ —
Investments		1,727	2,516
Total assets		2,055	2,516
Liabilities			
BCI cost recoveries payable	4	166	159
Other accounts payable		22	21
Payable for distribution		328	—
		516	180
Net assets attributable to holders of redeemable units		\$ 1,539	\$ 2,336
Number of redeemable units outstanding	5	0.616	0.760
Net assets attributable to holders of redeemable units per unit		\$ 2,498	\$ 3,074
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

PRIVATE PLACEMENT FUND 1997

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 327	\$ 81
Net change in unrealized appreciation		(563)	(274)
Total revenue		(236)	(193)
Expenses			
BCI cost recoveries	4	79	92
Administrative fees		34	43
Total operating expenses		113	135
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		(349)	(328)
Distributions to holders of redeemable units:			
From net realized gains on investments		(328)	—
		(328)	—
Decrease in net assets attributable to holders of redeemable units		\$ (677)	\$ (328)

PRIVATE PLACEMENT FUND 1997**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 2,336	\$ 2,672
Decrease in net assets attributable to holders of redeemable units	(677)	(328)
Redeemable unit transactions:		
Proceeds from units issued	105	126
Reinvestment of distributions	328	—
Amounts paid for units redeemed	(553)	(134)
Net decrease from redeemable unit transactions	(120)	(8)
Balance, end of year	\$ 1,539	\$ 2,336

PRIVATE PLACEMENT FUND 1997

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (677)	\$ (328)
Adjustments for:		
Net realized gain from investments	(327)	(81)
Net change in unrealized appreciation of investments	563	274
Non cash distributions	328	—
Proceeds from sale of investments	575	134
Amounts paid for purchase of investments	(22)	(14)
BCI cost recoveries payable	7	13
Other accounts payable	1	10
	448	8
Financing activities		
Proceeds from issuance of redeemable units	105	126
Payments on redemption of redeemable units	(553)	(134)
	(448)	(8)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

PRIVATE PLACEMENT FUND 1997

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,717	\$ 817	\$ 2,506	\$ 1,043
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 1,727	\$ 827	\$ 2,516	\$ 1,053

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

PRIVATE PLACEMENT FUND 1997

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 1,700	99.0 %	\$ 2,483	99.1 %
BCI money market funds	17	1.0	23	0.9
Total	\$ 1,717	100.0 %	\$ 2,506	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$1,713 CAD which represents 111.3% of the net asset value of the Fund (2019 - \$2,497 CAD which represented 106.9% of the net asset value of the Fund).

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

As at December 31, 2020, 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 \$17 (2019 - \$25), representing 1.1% of the Fund's net assets (2019 - 1.1%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2020, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$14,594 (2019 - \$14,855). As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$146 (2019 - \$149).

PRIVATE PLACEMENT FUND 1997

In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$173 (2019 - \$252), representing 11.2% (2019 - 10.8%) of the Fund's net assets attributable to holders of redeemable units.

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

PRIVATE PLACEMENT FUND 1997

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 1,700	\$ 1,700	\$ —	\$ —	\$ 2,483	\$ 2,483
BCI money market funds	27	—	—	27	33	—	—	33
Total investments	\$ 27	\$ —	\$ 1,700	\$ 1,727	\$ 33	\$ —	\$ 2,483	\$ 2,516

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 2,483	\$ 2,667
Total losses recognized in profit or loss	(234)	(184)
Sales	(549)	—
Closing balance, end of year	\$ 1,700	\$ 2,483
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (234)	\$ (184)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input	
Unlisted Private Equity Investee Funds	\$ 1,700	Net Asset Value	Net Asset Value	\$ 1,700	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	

PRIVATE PLACEMENT FUND 1997

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 2,483	Net Asset Value	Net Asset Value	\$ 2,483	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020	2019
Favourable	\$ 170	\$ 248
Unfavourable	(170)	(248)

PRIVATE PLACEMENT FUND 1997

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 27	2	\$ 1,830,990	\$ 33
Unlisted private equity investee funds administered by third party managers	5	27,260	1,700	4	37,499	2,483

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

PRIVATE PLACEMENT FUND 1998

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 283	\$ —
Investments		2,742	2,471
Total assets		3,025	2,471
Liabilities			
BCI cost recoveries payable	4	117	111
Other accounts payable		21	21
Payable for distribution		283	—
		421	132
Net assets attributable to holders of redeemable units		\$ 2,604	\$ 2,339
Number of redeemable units outstanding	5	0.114	0.136
Net assets attributable to holders of redeemable units per unit		\$ 22,842	\$ 17,199
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

PRIVATE PLACEMENT FUND 1998

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	281	\$ 40
Net change in unrealized appreciation		308	(218)
Total revenue		589	(178)
Expenses			
BCI cost recoveries	4	60	62
Administrative fees		33	43
Total operating expenses		93	105
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		496	(283)
Distributions to holders of redeemable units:			
From net realized gains on investments		(283)	—
		(283)	—
Increase (decrease) in net assets attributable to holders of redeemable units	\$	213	\$ (283)

PRIVATE PLACEMENT FUND 1998**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 2,339	\$ 2,569
Increase (decrease) in net assets attributable to holders of redeemable units	213	(283)
Redeemable unit transactions:		
Proceeds from units issued	83	95
Reinvestment of distributions	283	—
Amounts paid for units redeemed	(314)	(42)
Net increase from redeemable unit transactions	52	53
Balance, end of year	\$ 2,604	\$ 2,339

PRIVATE PLACEMENT FUND 1998

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 213	\$ (283)
Adjustments for:		
Net realized gain from investments	(281)	(40)
Net change in unrealized appreciation of investments	(308)	218
Non cash distributions	283	—
Proceeds from sale of investments	336	46
Amounts paid for purchase of investments	(18)	(14)
BCI cost recoveries payable	6	11
Other accounts payable	—	9
	231	(53)
Financing activities		
Proceeds from issuance of redeemable units	83	95
Payments on redemption of redeemable units	(314)	(42)
	(231)	53
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

PRIVATE PLACEMENT FUND 1998

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 2,737	\$ 137	\$ 2,462	\$ 170
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	5	5	9	9
Total Investments	\$ 2,742	\$ 142	\$ 2,471	\$ 179

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

PRIVATE PLACEMENT FUND 1998

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 2,720	99.4 %	\$ 2,118	86.0 %
Direct private equity investments	—	—	327	13.3
BCI money market funds	17	0.6	17	0.7
Total	\$ 2,737	100.0 %	\$ 2,462	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

PRIVATE PLACEMENT FUND 1998

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Energy	\$ —	— %	\$ 327	13.4 %
	—	—	327	13.4
Total Unlisted Private Equity Investee Funds in diversified industries	2,720	100.0	2,118	86.6
Total	\$ 2,720	100.0 %	\$ 2,445	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$274 (2019 - \$247), representing 10.5% (2019 - 10.6%) of the Fund's net assets attributable to holders of redeemable units.

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

PRIVATE PLACEMENT FUND 1998

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 2,720	\$ 2,720	\$ —	\$ —	\$ 2,118	\$ 2,118
Direct private equity investments	—	—	—	—	—	—	327	327
BCI money market funds	22	—	—	22	26	—	—	26
Total investments	\$ 22	\$ —	\$ 2,720	\$ 2,742	\$ 26	\$ —	\$ 2,445	\$ 2,471

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

PRIVATE PLACEMENT FUND 1998

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.

2020				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 327	\$ 2,118	\$	2,445
Total gains (losses) recognized in profit or loss	(10)	602		592
Sales	(317)	—		(317)
Closing balance, end of year	\$ —	\$ 2,720	\$	2,720
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date				
	\$ —	\$ 602	\$	602

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 745	\$ 1,921	\$	2,666
Total gains (losses) recognized in profit or loss	(371)	197		(174)
Sales	(47)	—		(47)
Closing balance, end of year	\$ 327	\$ 2,118	\$	2,445
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date				
	\$ (326)	\$ 197	\$	(129)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 2,720	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 2,720	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

2019						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 327	Market approach	EBITDA multiple	0.74x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 2,118	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 2,118	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

PRIVATE PLACEMENT FUND 1998

Significant unobservable inputs are developed as follows:

EBITDA multiples:

EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Adjusted Net Asset Value:

Represents the adjusted net asset value of unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	272	\$	245
Unfavourable	\$	(272)	\$	(245)

PRIVATE PLACEMENT FUND 1998

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 22	2	\$ 1,830,990	\$ 26
Unlisted private equity investee funds administered by third party managers	1	12,009	2,720	1	11,795	2,118

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

PRIVATE PLACEMENT FUND 1999

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 35	\$ —
Investments		1,726	4,048
Total assets		1,761	4,048
Liabilities			
BCI cost recoveries payable	4	164	157
Other accounts payable		22	21
Payable for distribution		35	—
		221	178
Net assets attributable to holders of redeemable units		\$ 1,540	\$ 3,870
Number of redeemable units outstanding	5	1.998	3.654
Net assets attributable to holders of redeemable units per unit		\$ 771	\$ 1,059
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

PRIVATE PLACEMENT FUND 1999

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 207	\$ 123
Net change in unrealized appreciation		(840)	(1,033)
Total revenue		(633)	(910)
Expenses			
BCI cost recoveries	4	103	117
Administrative fees		34	43
Total operating expenses		137	160
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		(770)	(1,070)
Distributions to holders of redeemable units:			
From net realized gains on investments		(35)	—
Decrease in net assets attributable to holders of redeemable units		\$ (805)	\$ (1,070)

See accompanying Notes to the Financial Statements

PRIVATE PLACEMENT FUND 1999**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 3,870	\$ 5,475
Decrease in net assets attributable to holders of redeemable units	(805)	(1,070)
Redeemable unit transactions:		
Proceeds from units issued	263	188
Reinvestment of distributions	35	—
Amounts paid for units redeemed	(1,823)	(723)
Net decrease from redeemable unit transactions	(1,525)	(535)
Balance, end of year	\$ 1,540	\$ 3,870

PRIVATE PLACEMENT FUND 1999

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (805)	\$ (1,070)
Adjustments for:		
Net realized gain from investments	(207)	(123)
Net change in unrealized appreciation of investments	840	1,033
Non cash distributions	35	—
Proceeds from sale of investments	1,834	723
Amounts paid for purchase of investments	(145)	(54)
BCI cost recoveries payable	7	16
Other accounts payable	1	10
	1,560	535
Financing activities		
Proceeds from issuance of redeemable units	263	188
Payments on redemption of redeemable units	(1,823)	(723)
	(1,560)	(535)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

PRIVATE PLACEMENT FUND 1999

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,716	\$ 1,853	\$ 4,038	\$ 3,335
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 1,726	\$ 1,863	\$ 4,048	\$ 3,345

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

PRIVATE PLACEMENT FUND 1999

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 1,694	98.7 %	\$ 4,015	99.4 %
BCI money market funds	22	1.3	23	0.6
Total	\$ 1,716	100.0 %	\$ 4,038	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$1,706 CAD which represents 110.8% of the net asset value of the Fund (2019 - \$4,029 CAD which represented 104.1% of the net asset value of the Fund).

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

As at December 31, 2020, 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 \$17 (2019 - \$40), representing 1.1% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

PRIVATE PLACEMENT FUND 1999

As at December 31, 2020, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$2,323 (2019 - \$2,304). As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$23 (2019 - \$23). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$173 (2019 - \$405), representing 11.2% (2019 - 10.5%) of the Fund's net assets attributable to holders of redeemable units.

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

PRIVATE PLACEMENT FUND 1999

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 1,694	\$ 1,694	\$ —	\$ —	\$ 4,015	\$ 4,015
BCI money market funds	32	—	—	32	33	—	—	33
Total investments	\$ 32	\$ —	\$ 1,694	\$ 1,726	\$ 33	\$ —	\$ 4,015	\$ 4,048

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 4,015	\$ 5,461
Total losses recognized in profit or loss	(571)	(873)
Sales	(1,750)	(573)
Closing balance, end of year	\$ 1,694	\$ 4,015
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (568)	\$ (837)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input	
Unlisted Private Equity Investee Funds	\$ 1,694	Net Asset Value	Net Asset Value	\$ 1,694	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	

PRIVATE PLACEMENT FUND 1999

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 4,015	Net Asset Value	Net Asset Value	\$ 4,015	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	169	\$	402
Unfavourable	\$	(169)	\$	(402)

PRIVATE PLACEMENT FUND 1999

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 32	2	\$ 1,830,990	\$ 33
Unlisted private equity investee funds administered by third party managers	5	68,436	1,694	5	126,758	4,015

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

PRIVATE PLACEMENT FUND 1999A

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Investments		\$ 1,590	\$ 1,331
Total assets		1,590	1,331
Liabilities			
BCI cost recoveries payable	4	82	78
Other accounts payable		21	21
		103	99
Net assets attributable to holders of redeemable units		\$ 1,487	\$ 1,232
Number of redeemable units outstanding	5	0.937	0.866
Net assets attributable to holders of redeemable units per unit		\$ 1,587	\$ 1,423
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

PRIVATE PLACEMENT FUND 1999A

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized loss		\$ (1)	\$ —
Net change in unrealized appreciation		260	(175)
Total revenue		259	(175)
Expenses			
BCI cost recoveries	4	58	71
Administrative fees		33	43
Total operating expenses		91	114
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 168	\$ (289)

PRIVATE PLACEMENT FUND 1999A

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

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 1,232	\$ 1,420
Increase (decrease) in net assets attributable to holders of redeemable units	168	(289)
Redeemable unit transactions:		
Proceeds from units issued	87	101
Net increase from redeemable unit transactions	87	101
Balance, end of year	\$ 1,487	\$ 1,232

PRIVATE PLACEMENT FUND 1999A

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 168	\$ (289)
Adjustments for:		
Net realized loss from investments	1	—
Net change in unrealized appreciation of investments	(260)	175
Proceeds from sale of investments	22	—
Amounts paid for purchase of investments	(22)	(5)
BCI cost recoveries payable	4	9
Other accounts payable	—	9
	(87)	(101)
Financing activities		
Proceeds from issuance of redeemable units	87	101
	87	101
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

PRIVATE PLACEMENT FUND 1999A

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,585	\$ 1,217	\$ 1,321	\$ 1,213
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	5	5	10	10
Total Investments	\$ 1,590	\$ 1,222	\$ 1,331	\$ 1,223

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

PRIVATE PLACEMENT FUND 1999A

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 1,572	99.2 %	\$ 1,309	99.1 %
BCI money market funds	13	0.8	12	0.9
Total	\$ 1,585	100.0 %	\$ 1,321	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$185 CAD which represents 12.4% of the net asset value of the Fund (2019 - \$217 CAD which represented 17.6% of the net asset value of the Fund).

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

As at December 31, 2020, 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 \$2 (2019 - \$2), representing 0.1% of the Fund's net assets (2019 - 0.2%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

PRIVATE PLACEMENT FUND 1999A

As at December 31, 2020, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$127 (2019 - \$130). As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$1 (2019 - \$1). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$159 (2019 - \$133), representing 10.7% (2019 - 10.8%) of the Fund's net assets attributable to holders of redeemable units.

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

PRIVATE PLACEMENT FUND 1999A

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 1,572	\$ 1,572	\$ —	\$ —	\$ 1,309	\$ 1,309
BCI money market funds	18	—	—	18	22	—	—	22
Total investments	\$ 18	\$ —	\$ 1,572	\$ 1,590	\$ 22	\$ —	\$ 1,309	\$ 1,331

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		2019	
	Unlisted Private Equity Investee Funds		Unlisted Private Equity Investee Funds	
Opening balance, beginning of year	\$ 1,309		\$ 1,481	
Total gains (losses) recognized in profit or loss	263		(172)	
Closing balance, end of year	\$ 1,572		\$ 1,309	
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 263		\$ (172)	

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

PRIVATE PLACEMENT FUND 1999A

2020

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 178	Net Asset Value	Net Asset Value	\$ 178	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,394	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 1,394	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

2019

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 277	Net Asset Value	Net Asset Value	\$ 277	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,032	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 1,032	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Adjusted Net Asset Value:

Represents the adjusted net asset value of unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

PRIVATE PLACEMENT FUND 1999A

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

		2020	2019
Favourable	\$	157	\$ 131
Unfavourable	\$	(157)	\$ (131)

PRIVATE PLACEMENT FUND 1999A

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 18	2	\$ 1,830,990	\$ 22
Unlisted private equity investee funds administered by third party managers	3	21,733	1,572	3	24,429	1,309

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2000 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 10	\$ —
Investments		853	5,571
Total assets		863	5,571
Liabilities			
BCI cost recoveries payable	4	170	164
Other accounts payable		22	21
Payable for distribution		10	—
		202	185
Net assets attributable to holders of redeemable units		\$ 661	\$ 5,386
Number of redeemable units outstanding	5	30.843	1.399
Net assets attributable to holders of redeemable units per unit		\$ 21	\$ 3,850
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2000 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	3,635	\$ 1,434
Net change in unrealized appreciation		(3,801)	(1,926)
Total revenue		(166)	(492)
Expenses			
BCI cost recoveries	4	107	159
Administrative fees		53	43
Total operating expenses		160	202
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		(326)	(694)
Distributions to holders of redeemable units:			
From net realized gains on investments		(3,475)	(1,231)
		(3,475)	(1,231)
Decrease in net assets attributable to holders of redeemable units	\$	(3,801)	\$ (1,925)

2000 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 5,386	\$ 7,630
Decrease in net assets attributable to holders of redeemable units	(3,801)	(1,925)
Redeemable unit transactions:		
Proceeds from units issued	188	232
Reinvestment of distributions	3,475	1,231
Amounts paid for units redeemed	(4,587)	(1,782)
Net decrease from redeemable unit transactions	(924)	(319)
Balance, end of year	\$ 661	\$ 5,386

2000 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (3,801)	\$ (1,925)
Adjustments for:		
Net realized gain from investments	(3,635)	(1,434)
Net change in unrealized appreciation of investments	3,801	1,926
Non cash distributions	3,475	1,231
Proceeds from sale of investments	4,600	1,782
Amounts paid for purchase of investments	(48)	(57)
BCI cost recoveries payable	6	17
Other accounts payable	1	10
	4,399	1,550
Financing activities		
Proceeds from issuance of redeemable units	188	232
Payments on redemption of redeemable units	(4,587)	(1,782)
	(4,399)	(1,550)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2000 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 843	\$ 276	\$ 5,561	\$ 1,193
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 853	\$ 286	\$ 5,571	\$ 1,203

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

2000 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ —	— %	\$ 4,547	81.8 %
Unlisted private equity investee funds	823	97.6	990	17.8
BCI money market funds	20	2.4	24	0.4
Total	\$ 843	100.0 %	\$ 5,561	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$552 CAD which represents 83.5% of the net asset value of the Fund (2019 - \$5,267 CAD which represented 97.8% of the net asset value of the Fund).

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

As at December 31, 2020, 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 \$6 (2019 - \$53), representing 0.9% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

2000 PRIVATE PLACEMENT FUND

As at December 31, 2020, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$875 (2019 - \$891). As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$9 (2019 - \$9). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$85 (2019 - \$557), representing 12.9% (2019 - 10.3%) of the Fund's net assets attributable to holders of redeemable units.

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

2000 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 4,547	\$ —	\$ 4,547
Unlisted private equity investee funds	—	—	823	823	—	—	990	990
BCI money market funds	30	—	—	30	34	—	—	34
Total investments	\$ 30	\$ —	\$ 823	\$ 853	\$ 34	\$ 4,547	\$ 990	\$ 5,571

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 990	\$ 7,186
Total losses recognized in profit or loss	(155)	(448)
Sales	(12)	(5,748)
Closing balance, end of year	\$ 823	\$ 990
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (155)	\$ (547)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2000 PRIVATE PLACEMENT FUND

2020

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 823	Net Asset Value	Net Asset Value	\$ 823	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 990	Net Asset Value	Net Asset Value	\$ 990	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	82	\$	99
Unfavourable	\$	(82)	\$	(99)

2000 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 30	2	\$ 1,830,990	\$ 34
Unlisted private equity investee funds administered by third party managers	3	64,739	823	5	85,247	990

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2001 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Investments		\$ 546	\$ 567
Total assets		546	567
Liabilities			
BCI cost recoveries payable	4	76	94
Other accounts payable		21	—
		97	94
Net assets attributable to holders of redeemable units		\$ 449	\$ 473
Number of redeemable units outstanding	5	0.199	0.173
Net assets attributable to holders of redeemable units per unit		\$ 2,256	\$ 2,734
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2001 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized loss		\$ (1)	\$ —
Net change in unrealized appreciation		(25)	(114)
Total revenue		(26)	(114)
Expenses			
BCI cost recoveries	4	39	53
Administrative fees		34	43
Total operating expenses		73	96
Decrease in net assets attributable to holders of redeemable units		\$ (99)	\$ (210)

2001 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 473	\$ 599
Decrease in net assets attributable to holders of redeemable units	(99)	(210)
Redeemable unit transactions:		
Proceeds from units issued	75	84
Net increase from redeemable unit transactions	75	84
Balance, end of year	\$ 449	\$ 473

2001 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (99)	\$ (210)
Net realized loss from investments	1	—
Net change in unrealized appreciation of investments	25	114
Proceeds from sale of investments	14	5
Amounts paid for purchase of investments	(19)	(11)
BCI cost recoveries payable	(18)	29
Other accounts payable	21	(11)
	(75)	(84)
Financing activities		
Proceeds from issuance of redeemable units	75	84
	75	84
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2001 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 539	\$ 138	\$ 562	\$ 136
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	7	7	5	5
Total Investments	\$ 546	\$ 145	\$ 567	\$ 141

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

2001 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 520	96.5 %	\$ 543	96.6 %
BCI money market funds	19	3.5	19	3.4 %
Total	\$ 539	100.0 %	\$ 562	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$533 CAD which represents 118.7% of the net asset value of the Fund (2019 - \$556 CAD which represented 117.5% of the net asset value of the Fund).

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

As at December 31, 2020, 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 \$5 (2019 - \$6), representing 1.1% of the Fund's net assets (2019 - 1.3%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

2001 PRIVATE PLACEMENT FUND

As at December 31, 2020, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$414 (2019 - \$422). As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$4 (2019 - \$4). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$55 (2019 - \$57), representing 12.2% (2019 - 12.1%) of the Fund's net assets attributable to holders of redeemable units.

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

2001 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

2020					2019				
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	
Unlisted private equity investee funds	\$ —	\$ —	\$ 520	\$ 520	\$ —	\$ —	\$ 543	\$ 543	
BCI money market funds	26	—	—	26	24	—	—	24	
Total investments	\$ 26	\$ —	\$ 520	\$ 546	\$ 24	\$ —	\$ 543	\$ 567	

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

2001 PRIVATE PLACEMENT FUND

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.

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 543	\$ 653
Total losses recognized in profit or loss	(23)	(110)
Closing balance, end of year	\$ 520	\$ 543
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (23)	\$ (110)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 520	Net Asset Value	Net Asset Value	\$ 520	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 543	Net Asset Value	Net Asset Value	\$ 543	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

2001 PRIVATE PLACEMENT FUND

	2020		2019	
Favourable	\$	52	\$	54
Unfavourable		(52)		(54)

2001 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 26	2	\$ 1,830,990	\$ 24
Unlisted private equity investee funds administered by third party managers	2	17,265	520	2	16,093	543

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2002 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 1,392	\$ —
Investments		6,138	9,198
Total assets		7,530	9,198
Liabilities			
BCI cost recoveries payable	4	113	108
Other accounts payable		21	21
Payable for distribution		1,392	—
		1,526	129
Net assets attributable to holders of redeemable units		\$ 6,004	\$ 9,069
Number of redeemable units outstanding	5	1.998	2.758
Net assets attributable to holders of redeemable units per unit		\$ 3,005	\$ 3,288
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2002 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	1,697	\$ 1,777
Net change in unrealized appreciation		(2,061)	(1,675)
Total revenue		(364)	102
Expenses			
BCI cost recoveries	4	81	89
Administrative fees		34	43
Total operating expenses		115	132
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		(479)	(30)
Distributions to holders of redeemable units:			
From net realized gains on investments		(1,582)	(1,645)
		(1,582)	(1,645)
Decrease in net assets attributable to holders of redeemable units	\$	(2,061)	\$ (1,675)

2002 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 9,069	\$ 11,873
Decrease in net assets attributable to holders of redeemable units	(2,061)	(1,675)
Redeemable unit transactions:		
Proceeds from units issued	104	119
Reinvestment of distributions	1,582	1,645
Amounts paid for units redeemed	(2,690)	(2,893)
Net decrease from redeemable unit transactions	(1,004)	(1,129)
Balance, end of year	\$ 6,004	\$ 9,069

2002 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (2,061)	\$ (1,675)
Adjustments for:		
Net realized gain from investments	(1,697)	(1,777)
Net change in unrealized appreciation of investments	2,061	1,675
Non cash distributions	1,582	1,645
Proceeds from sale of investments	2,710	2,893
Amounts paid for purchase of investments	(14)	(9)
BCI cost recoveries payable	5	12
Other accounts payable	—	10
	2,586	2,774
Financing activities		
Proceeds from issuance of redeemable units	104	119
Payments on redemption of redeemable units	(2,690)	(2,893)
	(2,586)	(2,774)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2002 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 6,134	\$ 2,524	\$ 9,188	\$ 3,517
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	4	4	10	10
Total Investments	\$ 6,138	\$ 2,528	\$ 9,198	\$ 3,527

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

2002 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 6,115	99.7 %	\$ 8,666	94.3 %
BCI money market funds	19	0.3	522	5.7
Total	\$ 6,134	100.0 %	\$ 9,188	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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	2020		2019	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 266	4.4 %	\$ 536	5.9 %
United States Dollar	5,861	97.6	3,008	33.2
Net foreign currency exposure	\$ 6,127	102.0 %	\$ 3,544	39.1 %

2002 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$61 (2019 - \$92), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	574	\$	536
United States Dollar		2,956		3,008
Net foreign currency exposure through unfunded capital commitments	\$	3,530	\$	3,544

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$35 (2019 - \$35). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$614 (2019 - \$920), representing 10.2% (2019 - 10.1%) of the Fund's net assets attributable to holders of redeemable units.

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

2002 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 6,115	\$ 6,115	\$ —	\$ —	\$ 8,666	\$ 8,666
BCI money market funds	23	—	—	23	532	—	—	532
Total investments	\$ 23	\$ —	\$ 6,115	\$ 6,138	\$ 532	\$ —	\$ 8,666	\$ 9,198

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 8,666	\$ 11,316
Total gains (losses) recognized in profit or loss	(364)	120
Sales	(2,187)	(2,770)
Closing balance, end of year	\$ 6,115	\$ 8,666
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (360)	\$ 89

During 2020 and 2019, there were no significant transfers into or out of Level 3.

2002 PRIVATE PLACEMENT FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 6,115	Net Asset Value	Net Asset Value	\$ 6,115	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 8,666	Net Asset Value	Net Asset Value	\$ 8,666	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	612	\$	867
Unfavourable	\$	(612)	\$	(867)

2002 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 23	2	\$ 1,830,990	\$ 532
Unlisted private equity investee funds administered by third party managers	4	104,291	6,115	3	97,725	8,666

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2003 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Investments		\$ 2,371	\$ 3,068
Total assets		2,371	3,068
Liabilities			
BCI cost recoveries payable	4	165	158
Other accounts payable		21	21
		186	179
Net assets attributable to holders of redeemable units		\$ 2,185	\$ 2,889
Number of redeemable units outstanding	5	2,664	3,105
Net assets attributable to holders of redeemable units per unit		\$ 820	\$ 930
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2003 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	802	\$ 15,282
Net change in unrealized appreciation		(370)	(19,479)
Total revenue		432	(4,197)
Expenses			
BCI cost recoveries	4	78	107
Administrative fees		34	48
Total operating expenses		112	155
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		320	(4,352)
Distributions to holders of redeemable units:			
From net realized gains on investments		(689)	(15,125)
		(689)	(15,125)
Decrease in net assets attributable to holders of redeemable units	\$	(369)	\$ (19,477)

2003 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 2,889	\$ 30,727
Decrease in net assets attributable to holders of redeemable units	(369)	(19,477)
Redeemable unit transactions:		
Proceeds from units issued	100	137
Reinvestment of distributions	689	15,125
Amounts paid for units redeemed	(1,124)	(23,623)
Net decrease from redeemable unit transactions	(335)	(8,361)
Balance, end of year	\$ 2,185	\$ 2,889

2003 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (369)	\$ (19,477)
Adjustments for:		
Net realized gain from investments	(802)	(15,282)
Net change in unrealized appreciation of investments	370	19,479
Non cash distributions	689	15,125
Proceeds from sale of investments	1,151	23,623
Amounts paid for purchase of investments	(22)	(5)
BCI cost recoveries payable	7	13
Other accounts payable	—	10
	1,024	23,486
Financing activities		
Proceeds from issuance of redeemable units	100	137
Payments on redemption of redeemable units	(1,124)	(23,623)
	(1,024)	(23,486)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2003 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 2,366	\$ 1,625	\$ 3,058	\$ 1,947
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	5	5	10	10
Total Investments	\$ 2,371	\$ 1,630	\$ 3,068	\$ 1,957

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

2003 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 899	38.0 %	\$ 1,691	55.3 %
Direct private equity investments	1,409	59.6	1,344	43.9
BCI money market funds	58	2.4	23	0.8
Total	\$ 2,366	100.0 %	\$ 3,058	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

2003 PRIVATE PLACEMENT FUND

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Information Technology	\$ 1,409	61.0 %	\$ 1,344	44.3 %
	1,409	61.0	1,344	44.3
Total Unlisted Private Equity Investee Funds in diversified industries	899	39.0	1,691	55.7
Total	\$ 2,308	100.0 %	\$ 3,035	100.0 %

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

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Canada	\$ 1,409	61.0	\$ 1,344	44.3
	1,409	61.0	1,344	44.3
Total Unlisted Private Equity Investee Funds diversified globally	899	39.0	1,691	55.7
Total	\$ 2,308	100.0 %	\$ 3,035	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$237 (2019 - \$307), representing 10.8% (2019 - 10.6%) of the Fund's net assets attributable to holders of redeemable units.

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

2003 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 899	\$ 899	\$ —	\$ —	\$ 1,691	\$ 1,691
Direct private equity investments	—	—	1,409	1,409	—	—	1,344	1,344
BCI money market funds	63	—	—	63	33	—	—	33
Total investments	\$ 63	\$ —	\$ 2,308	\$ 2,371	\$ 33	\$ —	\$ 3,035	\$ 3,068

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 1,344	\$ 1,691	\$ 3,035
Total gains (losses) recognized in profit or loss	65	(753)	(688)
Purchases	—	48	48
Sales	—	(87)	(87)
Closing balance, end of year	\$ 1,409	\$ 899	\$ 2,308
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 65	\$ (743)	\$ (678)

2003 PRIVATE PLACEMENT FUND

	2019			
	Direct Private Equity Investments		Unlisted Private Equity Investee Funds	
				Total
Opening balance, beginning of year	\$	3,774	\$ 27,081	\$ 30,855
Total losses recognized in profit or loss		(2,430)	(2,082)	(4,512)
Sales		—	(23,308)	(23,308)
Closing balance, end of year	\$	1,344	\$ 1,691	\$ 3,035
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date				
	\$	(2,430)	\$ (146)	\$ (2,576)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020							
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input	
Direct Private Equity Investments	\$ 1,409	Market approach	Revenue multiple	17.2x	N/A	The estimated fair value would increase (decrease) if the revenue multiple was higher (lower).	
Unlisted Private Equity Investee Funds	\$ 405	Net Asset Value	Net Asset Value	\$ 405	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Unlisted Private Equity Investee Funds	\$ 494	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 494	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).	
2019							
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input	
Direct Private Equity Investments	\$ 1,344	Market approach	EBITDA multiple	17.2x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).	
Unlisted Private Equity Investee Funds	\$ 1,691	Net Asset Value	Net Asset Value	\$ 1,691	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	

Significant unobservable inputs are developed as follows:

Revenue multiples:

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

EBITDA multiples:

2003 PRIVATE PLACEMENT FUND

EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Net Asset Value:

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

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

Adjusted Net Asset Value:

Represents the adjusted net asset value of unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	231	\$	303
Unfavourable	\$	(231)	\$	(303)

2003 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 63	2	\$ 1,830,990	\$ 33
Unlisted private equity investee funds administered by third party managers	2	2,720	899	3	9,557	1,691

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2004 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 4	\$ —
Investments		1,228	1,386
Total assets		1,232	1,386
Liabilities			
BCI cost recoveries payable	4	177	171
Other accounts payable		22	21
Payable for distribution		4	—
		203	192
Net assets attributable to holders of redeemable units		\$ 1,029	\$ 1,194
Number of redeemable units outstanding	5	2,211	2,246
Net assets attributable to holders of redeemable units per unit		\$ 465	\$ 532
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2004 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 3	\$ 464
Net change in unrealized appreciation		(33)	(1,268)
Total revenue		(30)	(804)
Expenses			
BCI cost recoveries	4	102	121
Administrative fees		34	43
Total operating expenses		136	164
Decrease in net assets attributable to holders of redeemable units from operations excluding distributions		(166)	(968)
Distributions to holders of redeemable units:			
From net realized gains on investments		(4)	(300)
		(4)	(300)
Decrease in net assets attributable to holders of redeemable units		\$ (170)	\$ (1,268)

2004 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 1,194	\$ 3,319
Decrease in net assets attributable to holders of redeemable units	(170)	(1,268)
Redeemable unit transactions:		
Proceeds from units issued	129	152
Reinvestment of distributions	4	300
Amounts paid for units redeemed	(128)	(1,309)
Net increase (decrease) from redeemable unit transactions	5	(857)
Balance, end of year	\$ 1,029	\$ 1,194

2004 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (170)	\$ (1,268)
Adjustments for:		
Net realized gain from investments	(3)	(464)
Net change in unrealized appreciation of investments	33	1,268
Non cash distributions	4	300
Proceeds from sale of investments	140	1,309
Amounts paid for purchase of investments	(12)	(16)
BCI cost recoveries payable	6	18
Other accounts payable	1	10
	(1)	1,157
Financing activities		
Proceeds from issuance of redeemable units	129	152
Payments on redemption of redeemable units	(128)	(1,309)
	1	(1,157)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

See accompanying Notes to the Financial Statements

2004 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,218	\$ 1,337	\$ 1,376	\$ 1,462
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 1,228	\$ 1,347	\$ 1,386	\$ 1,472

¹ The private equity investments are held through private corporations.

2004 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 1,181	97.0 %	\$ 1,335	97.0 %
BCI money market funds	37	3.0	41	3.0
Total	\$ 1,218	100.0 %	\$ 1,376	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$918 CAD which represents 89.2% of the net asset value of the Fund (2019 - \$859 CAD which represented 71.9% of the net asset value of the Fund).

As at December 31, 2020, 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 \$9 (2019 - \$9), representing 0.9% of the Fund's net assets (2019 - 0.8%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

2004 PRIVATE PLACEMENT FUND

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$123 (2019 - \$139), representing 12.0% (2019 - 11.6%) of the Fund's net assets attributable to holders of redeemable units.

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

2004 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 1,181	\$ 1,181	\$ —	\$ —	\$ 1,335	\$ 1,335
BCI money market funds	47	—	—	47	51	—	—	51
Total investments	\$ 47	\$ —	\$ 1,181	\$ 1,228	\$ 51	\$ —	\$ 1,335	\$ 1,386

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020
	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 1,335
Total losses recognized in profit or loss	(24)
Sales	(130)
Closing balance, end of year	\$ 1,181
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (16)

2004 PRIVATE PLACEMENT FUND

2019				
		Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$	—	\$ 3,445	\$ 3,445
Total gains (losses) recognized in profit or loss		8	(813)	(805)
Purchases		—	29	29
Sales		(8)	(1,326)	(1,334)
Closing balance, end of year	\$	—	\$ 1,335	\$ 1,335
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date				
	\$	—	\$ (321)	\$ (321)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020							
	Fair Value		Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input	
Unlisted Private Equity Investee Funds	\$	1,181	Net Asset Value	Net Asset Value	\$	1,181	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019							
	Fair Value		Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input	
Unlisted Private Equity Investee Funds	\$	1,335	Net Asset Value	Net Asset Value	\$	1,335	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

2004 PRIVATE PLACEMENT FUND

		2020	2019
Favourable	\$	118	\$ 134
Unfavourable	\$	(118)	\$ (134)

2004 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 47	2	\$ 1,830,990	\$ 51
Unlisted private equity investee funds administered by third party managers	4	6,638	1,181	4	14,613	1,335

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2005 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 8,121	\$ —
Investments		28,893	34,284
Total assets		37,014	34,284
Liabilities			
BCI cost recoveries payable	4	558	536
Other accounts payable		21	21
Payable for distribution		8,121	—
		8,700	557
Net assets attributable to holders of redeemable units		\$ 28,314	\$ 33,727
Number of redeemable units outstanding	5	14.869	21.944
Net assets attributable to holders of redeemable units per unit		\$ 1,904	\$ 1,537
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2005 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	8,630	\$ 9,834
Net change in unrealized appreciation		(2,941)	(4,519)
Total revenue		5,689	5,315
Expenses			
BCI cost recoveries	4	182	232
Administrative fees		34	75
Total operating expenses		216	307
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		5,473	5,008
Distributions to holders of redeemable units:			
From net realized gains on investments		(8,417)	(9,528)
		(8,417)	(9,528)
Decrease in net assets attributable to holders of redeemable units	\$	(2,944)	\$ (4,520)

2005 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 33,727	\$ 40,684
Decrease in net assets attributable to holders of redeemable units	(2,944)	(4,520)
Redeemable unit transactions:		
Proceeds from units issued	428	379
Reinvestment of distributions	8,417	9,528
Amounts paid for units redeemed	(11,314)	(12,344)
Net decrease from redeemable unit transactions	(2,469)	(2,437)
Balance, end of year	\$ 28,314	\$ 33,727

2005 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (2,944)	\$ (4,520)
Adjustments for:		
Net realized gain from investments	(8,630)	(9,834)
Net change in unrealized appreciation of investments	2,941	4,519
Non cash distributions	8,417	9,528
Proceeds from sale of investments	11,330	12,343
Amounts paid for purchase of investments	(250)	(121)
BCI cost recoveries payable	22	40
Other accounts payable	—	10
	10,886	11,965
Financing activities		
Proceeds from issuance of redeemable units	428	379
Payments on redemption of redeemable units	(11,314)	(12,344)
	(10,886)	(11,965)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2005 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 28,881	\$ 5,114	\$ 34,271	\$ 7,563
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	9	9	10	10
Fund ST3	3	3	3	3
	12	12	13	13
Total Investments	\$ 28,893	\$ 5,126	\$ 34,284	\$ 7,576

¹ The private equity investments are held through private corporations.

2005 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 27,810	96.3 %	\$ 33,929	99.0 %
Direct private equity investments	—	—	303	0.9
BCI money market funds	1,071	3.7	39	0.1
Total	\$ 28,881	100.0 %	\$ 34,271	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 91	0.3 %	\$ 369	1.1 %
United States Dollar	28,777	101.6	33,883	100.5
Net foreign currency exposure	\$ 28,868	101.9 %	\$ 34,252	101.6 %

2005 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$289 (2019 - \$343), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	7,680	\$	7,274
United States Dollar		11,675		13,452
Net foreign currency exposure through unfunded capital commitments	\$	19,355	\$	20,726

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$194 (2019 - \$207). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Discretionary	\$ —	— %	\$ 303	0.9 %
	—	—	303	0.9
Total Unlisted Private Equity Investee Funds in diversified industries	27,810	100.0	33,929	99.1
Total	\$ 27,810	100.0 %	\$ 34,232	100.0 %

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

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ —	— %	\$ 303	0.9
	—	—	303	0.9
Total Unlisted Private Equity Investee Funds diversified globally	27,810	100.0	33,929	99.1
Total	\$ 27,810	100.0 %	\$ 34,232	100.0 %

2005 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$2,889 (2019 - \$3,428), representing 10.2% (2019 - 10.2%) of the Fund's net assets attributable to holders of redeemable units.

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

2005 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 27,810	\$ 27,810	\$ —	\$ —	\$ 33,929	\$ 33,929
Direct private equity investments	—	—	—	—	—	—	303	303
BCI money market funds	1,083	—	—	1,083	52	—	—	52
Total investments	\$ 1,083	\$ —	\$ 27,810	\$ 28,893	\$ 52	\$ —	\$ 34,232	\$ 34,284

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 303	\$ 33,929	\$ 34,232
Total gains recognized in profit or loss	166	5,987	6,153
Purchases	—	111	111
Sales	(469)	(12,217)	(12,686)
Closing balance, end of year	\$ —	\$ 27,810	\$ 27,810
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ —	\$ 4,891	\$ 4,891

2005 PRIVATE PLACEMENT FUND

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 1,014	\$ 36,211	\$	37,225
Total gains recognized in profit or loss	436	5,003		5,439
Purchases	—	34		34
Sales	(1,147)	(7,319)		(8,466)
Closing balance, end of year	\$ 303	\$ 33,929	\$	34,232
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 91	\$ 3,882	\$	3,973

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input	
Unlisted Private Equity Investee Funds	\$ 27,810	Net Asset Value	Net Asset Value	\$ 27,810	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
2019						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input	
Direct Private Equity Investments	\$ 303	Net Asset Value	Net Asset Value	\$ 303	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Unlisted Private Equity Investee Funds	\$ 33,929	Net Asset Value	Net Asset Value	\$ 33,929	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

2005 PRIVATE PLACEMENT FUND

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

		2020		2019
Favourable	\$	2,781	\$	3,423
Unfavourable		(2,781)		(3,423)

2005 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 1,083	2	\$ 1,830,990	\$ 52
Unlisted private equity investee funds administered by third party managers	6	410,982	27,810	5	491,585	33,929

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2006 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 14,714	\$ —
Investments		93,694	91,818
Total assets		108,408	91,818
Liabilities			
BCI cost recoveries payable	4	374	362
Other accounts payable		22	21
Payable for distribution		14,714	—
		15,110	383
Net assets attributable to holders of redeemable units		\$ 93,298	\$ 91,435
Number of redeemable units outstanding	5	24,534	32,488
Net assets attributable to holders of redeemable units per unit		\$ 3,803	\$ 2,814
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2006 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 15,591	\$ 24,138
Net change in unrealized appreciation		9,104	(17,066)
Total revenue		24,695	7,072
Expenses			
BCI cost recoveries	4	172	266
Administrative fees		35	46
Total operating expenses		207	312
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		24,488	6,760
Distributions to holders of redeemable units:			
From net realized gains on investments		(15,384)	(23,826)
		(15,384)	(23,826)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 9,104	\$ (17,066)

2006 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 91,435	\$ 121,128
Increase (decrease) in net assets attributable to holders of redeemable units	9,104	(17,066)
Redeemable unit transactions:		
Proceeds from units issued	193	277
Reinvestment of distributions	15,384	23,826
Amounts paid for units redeemed	(22,818)	(36,730)
Net decrease from redeemable unit transactions	(7,241)	(12,627)
Balance, end of year	\$ 93,298	\$ 91,435

2006 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 9,104	\$ (17,066)
Adjustments for:		
Net realized gain from investments	(15,591)	(24,138)
Net change in unrealized appreciation of investments	(9,104)	17,066
Non cash distributions	15,384	23,826
Proceeds from sale of investments	22,836	36,729
Amounts paid for purchase of investments	(17)	(4)
BCI cost recoveries payable	12	30
Other accounts payable	1	10
	22,625	36,453
Financing activities		
Proceeds from issuance of redeemable units	193	277
Payments on redemption of redeemable units	(22,818)	(36,730)
	(22,625)	(36,453)
Net increase in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2006 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 93,684	\$ 22,194	\$ 91,808	\$ 29,422
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 93,694	\$ 22,204	\$ 91,818	\$ 29,432

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

2006 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ 656	0.7 %	\$ 647	0.7 %
Public equities	—	—	629	0.7
Unlisted private equity investee funds	88,667	94.6	90,505	98.6
Foreign currency contracts, net	(1)	—	4	—
BCI money market funds	4,362	4.7	23	—
Total	\$ 93,684	100.0 %	\$ 91,808	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 3,998	4.3 %	\$ 5,969	6.5 %
United States Dollar	89,679	96.1	85,178	93.2
Net foreign currency exposure	\$ 93,677	100.4 %	\$ 91,147	99.7 %

2006 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$937 (2019 - \$911), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY		2020	2019
Euro	\$	1,646	\$ 1,537
United States Dollar		6,717	6,837
Net foreign currency exposure through unfunded capital commitments	\$	8,363	\$ 8,374

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$84 (2019 - \$84). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$9,369 (2019 - \$9,182), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2006 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ 656	\$ —	\$ 656	\$ —	\$ 647	\$ —	\$ 647
Unlisted private equity investee funds	—	—	88,667	88,667	—	—	90,505	90,505
Foreign currency contracts, net	—	(1)	—	(1)	—	4	—	4
BCI money market funds	4,372	—	—	4,372	33	—	—	33
BCI public equity funds	—	—	—	—	629	—	—	629
Total investments	\$ 4,372	\$ 655	\$ 88,667	\$ 93,694	\$ 662	\$ 651	\$ 90,505	\$ 91,818

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 90,505	\$ 118,444
Total gains recognized in profit or loss	24,602	6,919
Sales	(26,440)	(34,858)
Closing balance, end of year	\$ 88,667	\$ 90,505
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 23,451	\$ 4,097

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2006 PRIVATE PLACEMENT FUND**2020**

	Fair Value		Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$	88,667	Net Asset Value	Net Asset Value	\$ 88,667	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019

	Fair Value		Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$	90,505	Net Asset Value	Net Asset Value	\$ 90,505	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	8,867	\$	9,050
Unfavourable		(8,867)		(9,050)

2006 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 4,372	2	\$ 1,830,990	\$ 33
Unlisted private equity investee funds administered by third party managers	6	2,338,321	88,667	6	2,628,951	90,505

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2007 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 30,742	\$ —
Investments		123,159	136,069
Total assets		153,901	136,069
Liabilities			
BCI cost recoveries payable	4	618	597
Other accounts payable		22	21
Payable for distribution		30,742	—
		31,382	618
Net assets attributable to holders of redeemable units		\$ 122,519	\$ 135,451
Number of redeemable units outstanding	5	43.767	64.867
Net assets attributable to holders of redeemable units per unit		\$ 2,799	\$ 2,088
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2007 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 31,503	\$ 57,195
Net change in unrealized appreciation		4,213	(57,814)
Total revenue		35,716	(619)
Expenses			
BCI cost recoveries	4	393	556
Administrative fees		36	75
Total operating expenses		429	631
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		35,287	(1,250)
Distributions to holders of redeemable units:			
From net realized gains on investments		(30,742)	(56,565)
		(30,742)	(56,565)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 4,545	\$ (57,815)

2007 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 135,451	\$ 225,890
Increase (decrease) in net assets attributable to holders of redeemable units	4,545	(57,815)
Redeemable unit transactions:		
Proceeds from units issued	411	657
Reinvestment of distributions	30,742	56,565
Amounts paid for units redeemed	(48,630)	(89,846)
Net decrease from redeemable unit transactions	(17,477)	(32,624)
Balance, end of year	\$ 122,519	\$ 135,451

2007 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 4,545	\$ (57,815)
Adjustments for:		
Net realized gain from investments	(31,503)	(57,195)
Net change in unrealized appreciation of investments	(4,213)	57,814
Non cash distributions	30,742	56,565
Proceeds from sale of investments	48,666	89,847
Amounts paid for purchase of investments	(40)	(91)
BCI cost recoveries payable	21	54
Other accounts payable	1	10
	48,219	89,189
Financing activities		
Proceeds from issuance of redeemable units	411	657
Payments on redemption of redeemable units	(48,630)	(89,846)
	(48,219)	(89,189)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2007 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 123,149	\$ 35,659	\$ 136,059	\$ 52,782
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 123,159	\$ 35,669	\$ 136,069	\$ 52,792

¹ The private equity investments are held through private corporations.

2007 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 120,167	97.6 %	\$ 133,322	98.0 %
Direct private equity investments	2,808	2.3	2,645	1.9
BCI money market funds	174	0.1	92	0.1
Total	\$ 123,149	100.0 %	\$ 136,059	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 2,808	2.3 %	\$ 2,645	2.0 %
United States Dollar	105,213	85.9	115,889	85.6
Net foreign currency exposure	\$ 108,021	88.2 %	\$ 118,534	87.6 %

2007 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$1,080 (2019 - \$1,185), representing 0.9% of the Fund's net assets (2019 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2020, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$23,519 (2019 - \$24,552). As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$235 (2019 - \$246). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Industrials	\$ 2,808	2.3 %	\$ 2,645	1.9 %
	2,808	2.3	2,645	1.9
Total Unlisted Private Equity Investee Funds in diversified industries	120,167	97.7	133,322	98.1
Total	\$ 122,975	100.0 %	\$ 135,967	100.0 %

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

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ 2,808	2.3 %	\$ 2,645	1.9 %
	2,808	2.3	2,645	1.9
Total Unlisted Private Equity Investee Funds diversified globally	120,167	97.7	133,322	98.1
Total	\$ 122,975	100.0 %	\$ 135,967	100.0 %

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

2007 PRIVATE PLACEMENT FUND

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$12,316 (2019 - \$13,607), representing 10.1% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2007 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 120,167	\$ 120,167	\$ —	\$ —	\$ 133,322	\$ 133,322
Direct private equity investments	—	—	2,808	2,808	—	—	2,645	2,645
BCI money market funds	184	—	—	184	102	—	—	102
Total investments	\$ 184	\$ —	\$ 122,975	\$ 123,159	\$ 102	\$ —	\$ 135,967	\$ 136,069

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 2,645	\$ 133,322	\$	135,967
Total gains recognized in profit or loss	15,295	20,919		36,214
Purchases	—	304		304
Sales	(15,132)	(34,378)		(49,510)
Closing balance, end of year	\$ 2,808	\$ 120,167	\$	122,975
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 164	\$ 19,518	\$	19,682

2007 PRIVATE PLACEMENT FUND

	2019		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 3,106	\$ 195,328	\$ 198,434
Total losses recognized in profit or loss	(61)	(6,189)	(6,250)
Purchases	—	693	693
Sales	(400)	(56,510)	(56,910)
Closing balance, end of year	\$ 2,645	\$ 133,322	\$ 135,967
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (50)	\$ (2,731)	\$ (2,781)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 2,808	Net Asset Value	Net Asset Value	\$ 2,808	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 120,167	Net Asset Value	Net Asset Value	\$ 120,167	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 2,645	Net Asset Value	Net Asset Value	\$ 2,645	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 133,322	Net Asset Value	Net Asset Value	\$ 133,322	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

2007 PRIVATE PLACEMENT FUND

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

		2020		2019
Favourable	\$	12,298	\$	13,597
Unfavourable		(12,298)		(13,597)

2007 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 184	2	\$ 1,830,990	\$ 102
Unlisted private equity investee funds administered by third party managers	12	3,357,041	120,167	12	3,555,286	133,322

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2008 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 27,579	\$ —
Investments		222,005	261,734
Total assets		249,584	261,734
Liabilities			
BCI cost recoveries payable	4	512	496
Other accounts payable		23	21
Payable for distribution		27,579	—
		28,114	517
Net assets attributable to holders of redeemable units		\$ 221,470	\$ 261,217
Number of redeemable units outstanding	5	48.793	59.857
Net assets attributable to holders of redeemable units per unit		\$ 4,539	\$ 4,364
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2008 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 38,017	\$ 133,140
Net change in unrealized appreciation		(30,663)	(129,334)
Total revenue		7,354	3,806
Expenses			
BCI cost recoveries	4	426	603
Administrative fees		36	88
Total operating expenses		462	691
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		6,892	3,115
Distributions to holders of redeemable units:			
From net realized gains on investments		(29,568)	(132,449)
		(29,568)	(132,449)
Decrease in net assets attributable to holders of redeemable units		\$ (22,676)	\$ (129,334)

2008 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 261,217	\$ 426,323
Decrease in net assets attributable to holders of redeemable units	(22,676)	(129,334)
Redeemable unit transactions:		
Proceeds from units issued	2,152	1,213
Reinvestment of distributions	29,568	132,449
Amounts paid for units redeemed	(48,791)	(169,434)
Net decrease from redeemable unit transactions	(17,071)	(35,772)
Balance, end of year	\$ 221,470	\$ 261,217

2008 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (22,676)	\$ (129,334)
Adjustments for:		
Net realized gain from investments	(38,017)	(133,140)
Net change in unrealized appreciation of investments	30,663	129,334
Non cash distributions	29,568	132,449
Proceeds from sale of investments	48,829	169,434
Amounts paid for purchase of investments	(1,746)	(583)
BCI cost recoveries payable	16	51
Other accounts payable	2	10
	46,639	168,221
Financing activities		
Proceeds from issuance of redeemable units	2,152	1,213
Payments on redemption of redeemable units	(48,791)	(169,434)
	(46,639)	(168,221)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

See accompanying Notes to the Financial Statements

2008 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 221,995	\$ 48,251	\$ 261,724	\$ 57,317
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 222,005	\$ 48,261	\$ 261,734	\$ 57,327

¹ The private equity investments are held through private corporations.

2008 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2020		2019	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ —	— %	\$ 962	0.4 %
Net investment-related payables	—	—	(2)	—
Unlisted private equity investee funds	134,291	60.5	163,393	62.4
Direct private equity investments	85,906	38.7	97,322	37.2
Foreign currency contracts, net	—	—	1	—
BCI money market funds	1,798	0.8	48	—
Total	\$ 221,995	100.0 %	\$ 261,724	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 105,282	47.5 %	\$ 110,445	42.3 %
United States Dollar	108,580	49.0	144,603	55.4
Net foreign currency exposure	\$ 213,862	96.5 %	\$ 255,048	97.7 %

2008 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$2,139 (2019 - \$2,550), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	9,767	\$	9,120
United States Dollar		48,049		50,811
Net foreign currency exposure through unfunded capital commitments	\$	57,816	\$	59,931

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$578 (2019 - \$599). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Health Care	\$ 29,754	13.5 %	\$ 45,005	17.2 %
Information Technology	56,152	25.5	52,317	20.1
	85,906	39.0	97,322	37.3
Total Unlisted Private Equity Investee Funds in diversified industries	134,291	61.0	163,393	62.7
Total	\$ 220,197	100.0 %	\$ 260,715	100.0 %

2008 PRIVATE PLACEMENT FUND

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

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ 56,152	25.5 %	\$ 52,317	20.0 %
North America	29,754	13.5	45,005	17.3
	85,906	39.0	97,322	37.3
Total Unlisted Private Equity Investee Funds diversified globally	134,291	61.0	163,393	62.7
Total	\$ 220,197	100.0 %	\$ 260,715	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$22,201 (2019 - \$26,173), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2008 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 962	\$ —	\$ 962
Net investment-related payables	—	—	—	—	—	(2)	—	(2)
Unlisted private equity investee funds	—	—	134,291	134,291	—	—	163,393	163,393
Direct private equity investments	—	—	85,906	85,906	—	—	97,322	97,322
Foreign currency contracts, net	—	—	—	—	—	1	—	1
BCI money market funds	1,808	—	—	1,808	58	—	—	58
Total investments	\$ 1,808	\$ —	\$ 220,197	\$ 222,005	\$ 58	\$ 961	\$ 260,715	\$ 261,734

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 97,322	\$ 163,393	\$ 260,715
Total gains (losses) recognized in profit or loss	(465)	8,487	8,022
Purchases	208	3,147	3,355
Sales	(11,159)	(40,736)	(51,895)
Closing balance, end of year	\$ 85,906	\$ 134,291	\$ 220,197
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (1,500)	\$ 6,825	\$ 5,325

2008 PRIVATE PLACEMENT FUND

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 105,009	\$ 302,249	\$	407,258
Total gains recognized in profit or loss	3,443	(2,113)		1,330
Purchases	—	2,192		2,192
Sales	(11,130)	(138,935)		(150,065)
Closing balance, end of year	\$ 97,322	\$ 163,393	\$	260,715
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 1,222	\$ (3,788)	\$	(2,566)

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 85,906	Net Asset Value	Net Asset Value	\$ 85,906	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 134,291	Net Asset Value	Net Asset Value	\$ 134,291	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 97,322	Net Asset Value	Net Asset Value	\$ 97,322	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 163,393	Net Asset Value	Net Asset Value	\$ 163,393	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

2008 PRIVATE PLACEMENT FUND

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

		2020		2019
Favourable	\$	22,020	\$	26,071
Unfavourable		(22,020)		(26,071)

2008 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 1,808	2	\$ 1,830,990	\$ 58
Unlisted private equity investee funds administered by third party managers	12	7,037,544	134,291	12	11,197,077	163,393

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2009 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 62,055	\$ —
Investments		245,281	302,636
Total assets		307,336	302,636
Liabilities			
BCI cost recoveries payable	4	836	805
Other accounts payable		22	49
Payable for distribution		62,055	—
		62,913	854
Net assets attributable to holders of redeemable units		\$ 244,423	\$ 301,782
Number of redeemable units outstanding	5	114,977	212,231
Net assets attributable to holders of redeemable units per unit		\$ 2,126	\$ 1,422
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2009 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	122,824	\$ 77,141
Net change in unrealized appreciation		(30,825)	(50,064)
Total revenue		91,999	27,077
Expenses			
BCI cost recoveries	4	248	348
Administrative fees		36	46
Pursuit costs		—	28
Total operating expenses		284	422
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		91,715	26,655
Distributions to holders of redeemable units:			
From net realized gains on investments		(65,852)	(76,719)
		(65,852)	(76,719)
Increase (decrease) in net assets attributable to holders of redeemable units	\$	25,863	\$ (50,064)

2009 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 301,782	\$ 377,608
Increase (decrease) in net assets attributable to holders of redeemable units	25,863	(50,064)
Redeemable unit transactions:		
Proceeds from units issued	319	408
Reinvestment of distributions	65,852	76,719
Amounts paid for units redeemed	(149,393)	(102,889)
Net decrease from redeemable unit transactions	(83,222)	(25,762)
Balance, end of year	\$ 244,423	\$ 301,782

2009 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 25,863	\$ (50,064)
Adjustments for:		
Net realized gain from investments	(122,824)	(77,141)
Net change in unrealized appreciation of investments	30,825	50,064
Non cash distributions	65,852	76,719
Proceeds from sale of investments	149,415	102,889
Amounts paid for purchase of investments	(61)	(85)
BCI cost recoveries payable	31	61
Other accounts payable	(27)	38
	149,074	102,481
Financing activities		
Proceeds from issuance of redeemable units	319	408
Payments on redemption of redeemable units	(149,393)	(102,889)
	(149,074)	(102,481)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2009 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 245,271	\$ 56,311	\$ 302,626	\$ 82,841
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 245,281	\$ 56,321	\$ 302,636	\$ 82,851

¹ The private equity investments are held through private corporations.

2009 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2009 Private Placement Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ 299	0.1 %	\$ —	— %
Unlisted private equity investee funds	214,483	87.4	264,362	87.4
Direct private equity investments	30,451	12.5	38,224	12.6
BCI money market funds	38	—	40	—
Total	\$ 245,271	100.0 %	\$ 302,626	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$245,258 CAD which represents 100.3% of the net asset value of the Fund (2019 - \$302,613 CAD which represented 100.3% of the net asset value of the Fund).

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

As at December 31, 2020, 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 \$2,453 (2019 - \$3,026), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

2009 PRIVATE PLACEMENT FUND

As at December 31, 2020, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$24,552 (2019 - \$25,249). As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$246 (2019 - \$253). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Health Care	\$ 30,451	12.4 %	\$ 38,224	12.6 %
	30,451	12.4	38,224	12.6
Total Unlisted Private Equity Investee Funds in diversified industries	214,483	87.6	264,362	87.4
Total	\$ 244,934	100.0 %	\$ 302,586	100.0 %

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

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
North America	\$ 30,451	12.4 %	\$ 38,224	12.6 %
	30,451	12.4	38,224	12.6
Total Unlisted Private Equity Investee Funds diversified globally	214,483	87.6	264,362	87.4
Total	\$ 244,934	100.0 %	\$ 302,586	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$24,528 (2019 - \$30,264), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2009 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net investment- related receivables	\$ —	\$ 299	\$ —	\$ 299	\$ —	\$ —	\$ —	\$ —
Unlisted private equity investee funds	—	—	214,483	214,483	—	—	264,362	264,362
Direct private equity investments	—	—	30,451	30,451	—	—	38,224	38,224
BCI money market funds	48	—	—	48	50	—	—	50
Total investments	\$ 48	\$ 299	\$ 244,934	\$ 245,281	\$ 50	\$ —	\$ 302,586	\$ 302,636

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 38,224	\$ 264,362	\$ 302,586
Total gains recognized in profit or loss	6,713	87,453	94,166
Purchases	—	261	261
Sales	(14,486)	(137,593)	(152,079)
Closing balance, end of year	\$ 30,451	\$ 214,483	\$ 244,934
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 4,422	\$ 68,562	\$ 72,984

2009 PRIVATE PLACEMENT FUND

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 42,061	\$ 332,663	\$	374,724
Total gains (losses) recognized in profit or loss	(3,444)	22,856		19,412
Purchases	—	152		152
Sales	(393)	(91,309)		(91,702)
Closing balance, end of year	\$ 38,224	\$ 264,362	\$	302,586
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (2,409)	\$ 24,978	\$	22,569

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 30,451	Net Asset Value	Net Asset Value	\$ 30,451	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 214,483	Net Asset Value	Net Asset Value	\$ 214,483	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 38,224	Net Asset Value	Net Asset Value	\$ 38,224	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 264,362	Net Asset Value	Net Asset Value	\$ 264,362	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

2009 PRIVATE PLACEMENT FUND

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	24,493	\$	30,259
Unfavourable		(24,493)		(30,259)

2009 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

	2020			2019		
Entity	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	48	2	\$ 1,830,990	50
Unlisted private equity investee funds administered by third party managers	7	10,709,009	214,483	7	26,627,094	264,362

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2010 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 17,096	\$ —
Investments		298,915	263,158
Total assets		316,011	263,158
Liabilities			
BCI cost recoveries payable	4	332	320
Other accounts payable		22	21
Payable for distribution		17,096	—
		17,450	341
Net assets attributable to holders of redeemable units		\$ 298,561	\$ 262,817
Number of redeemable units outstanding	5	146.269	178.973
Net assets attributable to holders of redeemable units per unit		\$ 2,041	\$ 1,468
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2010 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	29,109	\$ 41,351
Net change in unrealized appreciation		54,962	(6,251)
Total revenue		84,071	35,100
Expenses			
BCI cost recoveries	4	219	316
Administrative fees		35	46
Pursuit costs		—	107
Total operating expenses		254	469
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		83,817	34,631
Distributions to holders of redeemable units:			
From net realized gains on investments		(26,740)	(40,883)
		(26,740)	(40,883)
Increase (decrease) in net assets attributable to holders of redeemable units	\$	57,077	\$ (6,252)

2010 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 262,817	\$ 302,444
Increase (decrease) in net assets attributable to holders of redeemable units	57,077	(6,252)
Redeemable unit transactions:		
Proceeds from units issued	419	639
Reinvestment of distributions	26,740	40,883
Amounts paid for units redeemed	(48,492)	(74,897)
Net decrease from redeemable unit transactions	(21,333)	(33,375)
Balance, end of year	\$ 298,561	\$ 262,817

2010 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 57,077	\$ (6,252)
Adjustments for:		
Net realized gain from investments	(29,109)	(41,351)
Net change in unrealized appreciation of investments	(54,962)	6,251
Non cash distributions	26,740	40,883
Proceeds from sale of investments	48,512	74,898
Amounts paid for purchase of investments	(198)	(217)
BCI cost recoveries payable	12	36
Other accounts payable	1	10
	48,073	74,258
Financing activities		
Proceeds from issuance of redeemable units	419	639
Distributions paid to holders of redeemable units	(48,492)	(74,897)
	(48,073)	(74,258)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2010 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 298,905	\$ 82,136	\$ 263,148	\$ 101,341
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 298,915	\$ 82,146	\$ 263,158	\$ 101,351

¹ The private equity investments are held through private corporations.

2010 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2010 Private Placement Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ —	— %	\$ 1,191	0.5 %
Unlisted private equity investee funds	298,879	100.0	261,915	99.5
Foreign currency contracts, net	—	—	7	—
BCI money market funds	26	—	35	—
Total	\$ 298,905	100.0 %	\$ 263,148	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 48,529	16.3 %	\$ 49,436	18.8 %
United States Dollar	241,578	80.9	202,842	77.2
Net foreign currency exposure	\$ 290,107	97.2 %	\$ 252,278	96.0 %

2010 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$2,901 (2019 - \$2,523), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	20,511	\$	19,153
United States Dollar		13,838		15,485
Net foreign currency exposure through unfunded capital commitments	\$	34,349	\$	34,638

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$343 (2019 - \$346). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$29,892 (2019 - 26,316), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2010 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,191	\$ —	\$ 1,191
Unlisted private equity investee funds	—	—	298,879	298,879	—	—	261,915	261,915
Foreign currency contracts, net	—	—	—	—	—	7	—	7
BCI money market funds	36	—	—	36	45	—	—	45
Total investments	\$ 36	\$ —	\$ 298,879	\$ 298,915	\$ 45	\$ 1,198	\$ 261,915	\$ 263,158

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 261,915	\$ 296,714
Total gains recognized in profit or loss	84,386	32,509
Purchases	176	2,855
Sales	(47,598)	(70,163)
Closing balance, end of year	\$ 298,879	\$ 261,915
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 78,734	\$ 19,833

During 2020 and 2019, there were no significant transfers into or out of Level 3.

2010 PRIVATE PLACEMENT FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 298,879	Net Asset Value	Net Asset Value	\$ 298,879	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 261,915	Net Asset Value	Net Asset Value	\$ 261,915	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020	2019
Favourable	\$ 29,888	\$ 26,192
Unfavourable	(29,888)	(26,192)

2010 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 36	2	\$ 1,830,990	\$ 45
Unlisted private equity investee funds administered by third party managers	7	7,354,355	298,879	7	7,146,071	261,915

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2011 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 8,597	\$ —
Investments		412,553	425,422
Total assets		421,150	425,422
Liabilities			
BCI cost recoveries payable	4	426	412
Other accounts payable		23	21
Payable for distribution		8,597	—
		9,046	433
Net assets attributable to holders of redeemable units		\$ 412,104	\$ 424,989
Number of redeemable units outstanding	5	232.383	236.242
Net assets attributable to holders of redeemable units per unit		\$ 1,773	\$ 1,799
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2011 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	8,966	\$ 38,404
Net change in unrealized appreciation		(15,617)	(16,985)
Total revenue		(6,651)	21,419
Expenses			
BCI cost recoveries	4	429	575
Administrative fees		36	47
Total operating expenses		465	622
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		(7,116)	20,797
Distributions to holders of redeemable units:			
From net realized gains on investments		(8,597)	(37,783)
		(8,597)	(37,783)
Decrease in net assets attributable to holders of redeemable units	\$	(15,713)	\$ (16,986)

2011 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 424,989	\$ 471,566
Decrease in net assets attributable to holders of redeemable units	(15,713)	(16,986)
Redeemable unit transactions:		
Proceeds from units issued	12,209	6,437
Reinvestment of distributions	8,597	37,783
Amounts paid for units redeemed	(17,978)	(73,811)
Net increase (decrease) from redeemable unit transactions	2,828	(29,591)
Balance, end of year	\$ 412,104	\$ 424,989

2011 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Decrease in net assets attributable to holders of redeemable units	\$ (15,713)	\$ (16,986)
Adjustments for:		
Net realized gain from investments	(8,966)	(38,404)
Net change in unrealized appreciation of investments	15,617	16,985
Non cash distributions	8,597	37,783
Proceeds from sale of investments	18,058	73,812
Amounts paid for purchase of investments	(11,840)	(5,870)
BCI cost recoveries payable	14	44
Other accounts payable	2	10
	5,769	67,374
Financing activities		
Proceeds from issuance of redeemable units	12,209	6,437
Payments on redemption of redeemable units	(17,978)	(73,811)
	(5,769)	(67,374)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2011 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 412,543	\$ 195,866	\$ 425,412	\$ 193,118
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 412,553	\$ 195,876	\$ 425,422	\$ 193,128

¹ The private equity investments are held through private corporations.

2011 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2011 Private Placement Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 411,878	99.8 %	\$ 424,264	99.7 %
Direct private equity investments	—	—	1,103	0.3
BCI money market funds	665	0.2	45	—
Total	\$ 412,543	100.0 %	\$ 425,412	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 85,398	20.7 %	\$ 100,068	23.5 %
United States Dollar	292,201	70.9	290,894	68.4
Net foreign currency exposure	\$ 377,599	91.6 %	\$ 390,962	91.9 %

2011 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$3,776 (2019 - \$3,910), representing 0.9% of the Fund's net assets (2019 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020	2019
Euro	12,797	17,875
United States Dollar	16,556	20,671
Net foreign currency exposure through unfunded capital commitments	\$ 29,353	\$ 38,546

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$294 (2019 - \$385). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Energy	\$ —	— %	\$ 1,103	0.3 %
	—	—	1,103	0.3
Total Unlisted Private Equity Investee Funds in diversified industries	411,878	100.0	424,264	99.7
Total	\$ 411,878	100.0 %	\$ 425,367	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$41,255 (2019 - \$42,542), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2011 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 411,878	\$ 411,878	\$ —	\$ —	\$ 424,264	\$ 424,264
Direct private equity investments	—	—	—	—	—	—	1,103	1,103
BCI money market funds	675	—	—	675	55	—	—	55
Total investments	\$ 675	\$ —	\$ 411,878	\$ 412,553	\$ 55	\$ —	\$ 425,367	\$ 425,422

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 1,103	\$ 424,264	\$ 425,367
Total losses recognized in profit or loss	(33)	(6,180)	(6,213)
Purchases	—	12,040	12,040
Sales	(1,070)	(18,246)	(19,316)
Closing balance, end of year	\$ —	\$ 411,878	\$ 411,878
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ —	\$ (6,947)	\$ (6,947)

2011 PRIVATE PLACEMENT FUND

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds		Total
Opening balance, beginning of year	\$ 2,521	\$ 469,171	\$	471,692
Total gains (losses) recognized in profit or loss	(1,259)	15,678		14,419
Purchases	—	7,485		7,485
Sales	(159)	(68,070)		(68,229)
Closing balance, end of year	\$ 1,103	\$ 424,264	\$	425,367
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (1,100)	\$ 10,261	\$	9,161

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 411,878	Net Asset Value	Net Asset Value	\$ 411,878	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,103	Market approach	EBITDA multiple	0.74x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 386,706	Net Asset Value	Net Asset Value	\$ 386,706	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 37,558	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 37,558	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

EBITDA multiples:

EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

2011 PRIVATE PLACEMENT FUND

Net Asset Value:

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

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

Adjusted Net Asset Value:

Represents the adjusted net asset value of unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	41,188	\$	42,537
Unfavourable	\$	(41,188)	\$	(42,537)

2011 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 675	2	\$ 1,831	\$ 55
Unlisted private equity investee funds administered by third party managers	10	12,070,187	411,878	10	12,595,111	424,264

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2012 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 56,758	\$ —
Investments		323,968	372,554
Total assets		380,726	372,554
Liabilities			
BCI cost recoveries payable	4	669	648
Other accounts payable		22	21
Payable for distribution		56,758	—
		57,449	669
Net assets attributable to holders of redeemable units		\$ 323,277	\$ 371,885
Number of redeemable units outstanding	5	762.091	1,090.235
Net assets attributable to holders of redeemable units per unit		\$ 424	\$ 341
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2012 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 69,242	\$ 72,958
Net change in unrealized appreciation		(1,943)	(40,747)
Total revenue		67,299	32,211
Expenses			
BCI cost recoveries	4	300	621
Administrative fees		34	82
Total operating expenses		334	703
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		66,965	31,508
Distributions to holders of redeemable units:			
From net realized gains on investments		(63,768)	(72,255)
		(63,768)	(72,255)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 3,197	\$ (40,747)

2012 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 371,885	\$ 515,105
Increase (decrease) in net assets attributable to holders of redeemable units	3,197	(40,747)
Redeemable unit transactions:		
Proceeds from units issued	2,284	6,230
Reinvestment of distributions	63,768	72,255
Amounts paid for units redeemed	(117,857)	(180,958)
Net decrease from redeemable unit transactions	(51,805)	(102,473)
Balance, end of year	\$ 323,277	\$ 371,885

2012 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 3,197	\$ (40,747)
Adjustments for:		
Net realized gain from investments	(69,242)	(72,958)
Net change in unrealized appreciation of investments	1,943	40,747
Non cash distributions	63,768	72,255
Proceeds from sale of investments	117,884	180,958
Amounts paid for purchase of investments	(1,999)	(5,586)
BCI cost recoveries payable	21	49
Other accounts payable	1	10
	115,573	174,728
Financing activities		
Proceeds from issuance of redeemable units	2,284	6,230
Payments on redemption of redeemable units	(117,857)	(180,958)
	(115,573)	(174,728)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

See accompanying Notes to the Financial Statements

2012 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 323,958	\$ 112,294	\$ 372,544	\$ 158,937
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 323,968	\$ 112,304	\$ 372,554	\$ 158,947

¹ The private equity investments are held through private corporations.

2012 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2012 Private Placement Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 323,921	100.0 %	\$ 372,498	100.0 %
BCI money market funds	37	—	46	—
Total	\$ 323,958	100.0 %	\$ 372,544	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 181,132	56.0 %	\$ 202,317	54.4 %
United States Dollar	142,814	44.2	170,208	45.8
Net foreign currency exposure	\$ 323,946	100.2 %	\$ 372,525	100.2 %

2012 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$3,239 (2019 - \$3,725), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	17,825	\$	16,645
United States Dollar		47,968		49,841
Net foreign currency exposure through unfunded capital commitments	\$	65,793	\$	66,486

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$658 (2019 - \$665). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$32,397 (2019 - \$37,255), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2012 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 323,921	\$ 323,921	\$ —	\$ —	\$ 372,498	\$ 372,498
BCI money market funds	47	—	—	47	56	—	—	56
Total investments	\$ 47	\$ —	\$ 323,921	\$ 323,968	\$ 56	\$ —	\$ 372,498	\$ 372,554

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020	2019
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 372,498	\$ 515,663
Total gains recognized in profit or loss	68,251	32,722
Purchases	3,227	6,783
Sales	(120,055)	(182,670)
Closing balance, end of year	\$ 323,921	\$ 372,498
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 56,164	\$ 28,179

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2012 PRIVATE PLACEMENT FUND**2020**

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 323,921	Net Asset Value	Net Asset Value	\$ 323,921	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 372,498	Net Asset Value	Net Asset Value	\$ 372,498	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020	2019
Favourable	\$ 32,392	\$ 37,250
Unfavourable	(32,392)	(37,250)

2012 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 47	2	\$ 1,830,990	\$ 56
Unlisted private equity investee funds administered by third party managers	6	9,656,634	323,921	6	7,344,695	372,498

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2013 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 195,937	\$ —
Investments		1,017,143	1,019,124
Total assets		1,213,080	1,019,124
Liabilities			
BCI cost recoveries payable	4	487	469
Other accounts payable		24	21
Payable for distribution		195,937	—
		196,448	490
Net assets attributable to holders of redeemable units		\$ 1,016,632	\$ 1,018,634
Number of redeemable units outstanding	5	153.801	231.902
Net assets attributable to holders of redeemable units per unit		\$ 6,610	\$ 4,393
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2013 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 205,523	\$ 103,885
Net change in unrealized appreciation		131,894	90,681
Total revenue		337,417	194,566
Expenses			
BCI cost recoveries	4	680	863
Administrative fees		98	50
Pursuit costs		1	3
Total operating expenses		779	916
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		336,638	193,650
Distributions to holders of redeemable units:			
From net realized gains on investments		(204,745)	(102,972)
		(204,745)	(102,972)
Increase in net assets attributable to holders of redeemable units		\$ 131,893	\$ 90,678

2013 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 1,018,634	\$ 995,078
Increase in net assets attributable to holders of redeemable units	131,893	90,678
Redeemable unit transactions:		
Proceeds from units issued	21,402	44,460
Reinvestment of distributions	204,745	102,972
Amounts paid for units redeemed	(360,042)	(214,554)
Net decrease from redeemable unit transactions	(133,895)	(67,122)
Balance, end of year	\$ 1,016,632	\$ 1,018,634

2013 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase in net assets attributable to holders of redeemable units	\$ 131,893	\$ 90,678
Adjustments for:		
Net realized gain from investments	(205,523)	(103,885)
Net change in unrealized appreciation of investments	(131,894)	(90,681)
Non cash distributions	204,745	102,972
Proceeds from sale of investments	360,102	214,554
Amounts paid for purchase of investments	(20,704)	(43,617)
BCI cost recoveries payable	18	63
Other accounts payable	3	10
	338,640	170,094
Financing activities		
Proceeds from issuance of redeemable units	21,402	44,460
Payments on redemption of redeemable units	(360,042)	(214,554)
	(338,640)	(170,094)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

See accompanying Notes to the Financial Statements

2013 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,017,133	\$ 310,104	\$ 1,019,114	\$ 443,979
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 1,017,143	\$ 310,114	\$ 1,019,124	\$ 443,989

¹ The private equity investments are held through private corporations.

2013 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2013 Private Placement Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ —	— %	\$ 5,491	0.5 %
Net investment-related receivables	1,020	0.1	6,184	0.6
Direct private debt investments	16,297	1.6	—	—
Unlisted private equity investee funds	877,671	86.2	796,754	78.3
Direct private equity investments	42,653	4.2	44,290	4.3
Foreign currency contracts, net	—	—	33	—
BCI money market funds	4,641	0.5	1,140	0.1
Public equity	74,851	7.4	165,222	16.2
Total	\$ 1,017,133	100.0 %	\$ 1,019,114	100.0 %

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

Credit Risk

The Fund's private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The Fund's debt investments are not subject to credit risk as any decrease in fair value would result in an offsetting change in value of the related equity investment.

Liquidity Risk

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

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

Interest Rate Risk

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2020 and 2019, the Fund had no other assets or liabilities which change in value as a result of changes in interest rates.

2013 PRIVATE PLACEMENT FUND

Currency Risk

At December 31, 2020, 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	2020		2019	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 185	— %	\$ 12,081	1.2 %
Euro	282,848	27.8	245,609	24.1
United States Dollar	714,240	70.3	749,951	73.6
Net foreign currency exposure	\$ 997,273	98.1 %	\$ 1,007,641	98.9 %

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

As at December 31, 2020, 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 \$9,973 (2019 - \$10,076), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	29,408	\$	32,675
United States Dollar		69,022		84,571
Net foreign currency exposure through unfunded capital commitments	\$	98,430	\$	117,246

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$984 (2019 - \$1,172). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's direct private equity investments, direct private debt investment, public equity, and unlisted private equity investee funds are concentrated in the following industries:

2013 PRIVATE PLACEMENT FUND

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Consumer Staples	\$ 185	— %	\$ 12,081	1.2 %
Industrials	18,823	1.9	(253)	—
Telecommunication Services	39,942	3.9	32,462	3.2
	58,950	5.8	44,290	4.4
Public Equity				
Industrials	74,851	7.4	165,222	16.4
	74,851	7.4	165,222	16.4
Total Unlisted Private Equity Investee Funds in diversified industries	877,671	86.8	796,754	79.2
Total	\$ 1,011,472	100.0 %	\$ 1,006,266	100.0 %

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

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Asia	\$ 185	— %	\$ 12,081	1.2 %
Canada	18,823	1.9	(253)	—
North America	39,942	3.9	32,462	3.2
	58,950	5.8	44,290	4.4
Public Equity diversified globally	74,851	7.4	165,222	16.4
	74,851	7.4	165,222	16.4
Total Unlisted Private Equity Investee Funds diversified globally	877,671	86.8	796,754	79.2
Total	\$ 1,011,472	100.0 %	\$ 1,006,266	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately 101,714 (2019 - 101,912), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2013 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,491	\$ —	\$ 5,491
Net investment-related receivables	—	1,020	—	1,020	—	6,184	—	6,184
Public equities	74,851	—	—	74,851	165,222	—	—	165,222
Direct private debt investments	—	—	16,297	16,297	—	—	—	—
Unlisted private equity investee funds	—	—	877,671	877,671	—	—	796,754	796,754
Direct private equity investments	—	—	42,653	42,653	—	—	44,290	44,290
Foreign currency contracts, net	—	—	—	—	—	33	—	33
BCI money market funds	4,651	—	—	4,651	1,150	—	—	1,150
Total investments	\$ 79,502	\$ 1,020	\$ 936,621	\$ 1,017,143	\$ 166,372	\$ 11,708	\$ 841,044	\$ 1,019,124

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 44,290	\$ —	\$ 796,754	\$ 841,044
Total gains (losses) recognized in profit or loss	10,632	(2,045)	285,250	293,837
Purchases	93	14,513	21,220	35,826
Sales	(12,362)	3,829	(225,553)	(234,086)
Closing balance, end of year	\$ 42,653	\$ 16,297	\$ 877,671	\$ 936,621
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 10,617	\$ (1,492)	\$ 248,783	\$ 257,908

2013 PRIVATE PLACEMENT FUND

2019					
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 105,436	\$ 6,048	\$ 758,621	\$ 870,105	
Total gains (losses) recognized in profit or loss	(42,599)	(6,048)	156,665	108,018	
Purchases	—	—	49,245	49,245	
Sales	(18,547)	—	(167,777)	(186,324)	
Closing balance, end of year	\$ 44,290	\$ —	\$ 796,754	\$ 841,044	
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (39,878)	\$ (6,048)	\$ 129,573	\$ 83,647	

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 29,560	Net Asset Value	Net Asset Value	\$ 29,560	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 13,093	Market approach	EBITDA multiple	6.5x - 23.2x	20.0x	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 877,671	Net Asset Value	Net Asset Value	\$ 877,671	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 16,297	Market approach	EBITDA multiple	6.5x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
2019						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 44,543	Net Asset Value	Net Asset Value	\$ 44,543	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ (253)	Market approach	EBITDA multiple	6.5x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 796,754	Net Asset Value	Net Asset Value	\$ 796,754	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

2013 PRIVATE PLACEMENT FUND

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

EBITDA multiples:

EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Effects of Unobservable Input on Fair Value Measurement

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

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

		2020		2019
Favourable	\$	93,662	\$	84,104
Unfavourable		(93,662)		(84,104)

2013 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 4,651	2	\$ 1,830,990	\$ 1,150
Unlisted private equity investee funds administered by third party managers	7	48,781,468	877,671	7	45,305,440	796,754

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2013 PRIVATE PLACEMENT FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2020							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Universal Rail Systems Inc.	Railway infrastructure service provider	Common shares and debt interest	Associate	Canada	Canada	23.9 %	23.9 %

2019							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Universal Rail Systems Inc.	Railway infrastructure service provider	Common shares and debt interest	Associate	Canada	Canada	19.3 %	19.3 %

During 2020 and 2019, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2014 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 19,386	\$ —
Investments		932,396	764,913
Total assets		951,782	764,913
Liabilities			
BCI cost recoveries payable	4	525	510
Other accounts payable		24	21
Payable for distribution		19,386	—
		19,935	531
Net assets attributable to holders of redeemable units		\$ 931,847	\$ 764,382
Number of redeemable units outstanding	5	10.397	10.797
Net assets attributable to holders of redeemable units per unit		\$ 89,627	\$ 70,796
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2014 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	20,088	\$ 192,242
Net change in unrealized appreciation		177,070	(53,148)
Total revenue		197,158	139,094
Expenses			
BCI cost recoveries	4	676	997
Administrative fees		38	101
Pursuit costs		31	82
Total operating expenses		745	1,180
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		196,413	137,914
Distributions to holders of redeemable units:			
From net realized gains on investments		(19,386)	(191,062)
		(19,386)	\$ (191,062)
Increase (decrease) in net assets attributable to holders of redeemable units	\$	177,027	\$ (53,148)

2014 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 764,382	\$ 1,234,952
Increase (decrease) in net assets attributable to holders of redeemable units	177,027	(53,148)
Redeemable unit transactions:		
Proceeds from units issued	23,738	105,375
Reinvestment of distributions	19,386	191,062
Amounts paid for units redeemed	(52,686)	(713,859)
Net decrease from redeemable unit transactions	(9,562)	(417,422)
Balance, end of year	\$ 931,847	\$ 764,382

2014 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 177,027	\$ (53,148)
Adjustments for:		
Net realized gain from investments	(20,088)	(192,242)
Net change in unrealized appreciation of investments	(177,070)	53,148
Non cash distributions	19,386	191,062
Proceeds from sale of investments	55,352	713,859
Amounts paid for purchase of investments	(25,677)	(104,271)
BCI cost recoveries payable	15	66
Other accounts payable	3	10
	28,948	608,484
Financing activities		
Proceeds from issuance of redeemable units	23,738	105,375
Payments on redemption of redeemable units	(52,686)	(713,859)
	(28,948)	(608,484)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2014 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 932,386	\$ 464,506	\$ 764,903	\$ 474,093
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 932,396	\$ 464,516	\$ 764,913	\$ 474,103

¹ The private equity investments are held through private corporations.

2014 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2014 Private Placement Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 833,882	89.5 %	\$ 665,805	87.0 %
Direct private equity investments	96,214	10.3	99,052	13.0
BCI money market funds	2,290	0.2	46	—
Total	\$ 932,386	100.0 %	\$ 764,903	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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	2020		2019	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ —	— %	\$ 687	0.1 %
United States Dollar	865,613	92.9	704,399	92.2
Net foreign currency exposure	\$ 865,613	92.9 %	\$ 705,086	92.3 %

2014 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$8,656 (2019 - \$7,051), representing 0.9% of the Fund's net assets (2019 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY		2020	2019
United States Dollar	\$	49,955	\$ 71,416
Net foreign currency exposure through unfunded capital commitments	\$	49,955	\$ 71,416

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$500 (2019 - \$714). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Discretionary	\$ 31,210	3.4 %	\$ 35,933	4.7 %
Health Care	42,630	4.6	43,533	5.7
Industrials	—	—	687	0.1
Telecommunication Services	22,374	2.3	18,899	2.5
	96,214	10.3	99,052	13.0
Total Unlisted Private Equity Investee Funds in diversified industries				
	833,882	89.7	665,805	87.0
Total	\$ 930,096	100.0 %	\$ 764,857	100.0 %

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

2014 PRIVATE PLACEMENT FUND

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Middle East	\$ 73,839	7.9 %	\$ 79,466	10.4 %
Europe	—	—	687	0.1
South America	22,375	2.4	18,899	2.5
	96,214	10.3	99,052	13.0
Total Unlisted Private Equity Investee Funds diversified globally	833,882	89.7	665,805	87.0
Total	\$ 930,096	100.0 %	\$ 764,857	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$93,240 (2019 - \$76,491), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2014 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	—	—	833,882	833,882	—	—	665,805	665,805
Direct private equity investments	—	—	96,214	96,214	—	—	99,052	99,052
BCI money market funds	2,300	—	—	2,300	56	—	—	56
Total investments	\$ 2,300	\$ —	\$ 930,096	\$ 932,396	\$ 56	\$ —	\$ 764,857	\$ 764,913

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds		Total
Opening balance, beginning of year	\$ 99,052	\$ 665,805	\$	764,857
Total gains recognized in profit or loss	210	196,909		197,119
Purchases	—	27,730		27,730
Sales	(3,048)	(56,562)		(59,610)
Closing balance, end of year	\$ 96,214	\$ 833,882	\$	930,096
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (2,126)	\$ 179,943	\$	177,817

2014 PRIVATE PLACEMENT FUND

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 186,245	\$ 1,041,267	\$	1,227,512
Total gains recognized in profit or loss	34,280	90,790		125,070
Purchases	—	113,226		113,226
Sales	(121,473)	(579,478)		(700,951)
Closing balance, end of year	\$ 99,052	\$ 665,805	\$	764,857
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 20,034	\$ 61,554	\$	81,588

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 96,214	Net Asset Value	Net Asset Value	\$ 96,214	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 833,882	Net Asset Value	Net Asset Value	\$ 833,882	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 55,520	Net Asset Value	Net Asset Value	\$ 55,520	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 43,532	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 43,532	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Unlisted Private Equity Investee Funds	\$ 665,805	Net Asset Value	Net Asset Value	\$ 665,805	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

2014 PRIVATE PLACEMENT FUND

Adjusted Net Asset Value:

Represents the adjusted net asset value of direct private equity investments. BCI management values these investments primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

		2020		2019
Favourable	\$	93,010	\$	76,486
Unfavourable		(93,010)		(76,486)

2014 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 2,300	2	\$ 1,830,990	\$ 56
Unlisted private equity investee funds administered by third party managers	9	22,629,951	833,882	9	27,997,441	665,805

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2015 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 171,180	\$ —
Investments		1,569,199	1,611,023
Total assets		1,740,379	1,611,023
Liabilities			
BCI cost recoveries payable	4	755	730
Other accounts payable		25	21
Payable for distribution		171,180	—
		171,960	751
Net assets attributable to holders of redeemable units		\$ 1,568,419	\$ 1,610,272
Number of redeemable units outstanding	5	666.732	822.470
Net assets attributable to holders of redeemable units per unit		\$ 2,352	\$ 1,958
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2015 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain	\$	192,750	\$ 125,754
Net change in unrealized appreciation		91,142	204,647
Total revenue		283,892	330,401
Expenses			
BCI cost recoveries	4	1,042	1,178
Administrative fees		41	57
Total operating expenses		1,083	1,235
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		282,809	329,166
Distributions to holders of redeemable units:			
From net realized gains on investments		(187,738)	(124,521)
		(187,738)	(124,521)
Increase in net assets attributable to holders of redeemable units	\$	95,071	\$ 204,645

See accompanying Notes to the Financial Statements

2015 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 1,610,272	\$ 1,511,473
Increase in net assets attributable to holders of redeemable units	95,071	204,645
Redeemable unit transactions:		
Proceeds from units issued	76,090	146,504
Reinvestment of distributions	187,738	124,521
Amounts paid for units redeemed	(400,752)	(376,871)
Net decrease from redeemable unit transactions	(136,924)	(105,846)
Balance, end of year	\$ 1,568,419	\$ 1,610,272

2015 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase in net assets attributable to holders of redeemable units	\$ 95,071	\$ 204,645
Adjustments for:		
Net realized gain from investments	(192,750)	(125,754)
Net change in unrealized appreciation of investments	(91,142)	(204,647)
Non cash distributions	187,738	124,521
Proceeds from sale of investments	400,844	376,872
Amounts paid for purchase of investments	(75,128)	(145,377)
BCI cost recoveries payable	25	97
Other accounts payable	4	10
	324,662	230,367
Financing activities		
Proceeds from issuance of redeemable units	76,090	146,504
Payments on redemption of redeemable units	(400,752)	(376,871)
	(324,662)	(230,367)
Net changes in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2015 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,569,189	\$ 732,771	\$ 1,611,013	\$ 865,737
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Total Investments	\$ 1,569,199	\$ 732,781	\$ 1,611,023	\$ 865,747

¹ The private equity investments are held through private corporations.

2015 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2015 Private Placement Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ 836	0.1 %	\$ —	— %
Unlisted private equity investee funds	1,344,740	85.7	1,213,407	75.3
Direct private equity investments	220,240	14.0	388,315	24.1
Foreign currency contracts, net	(3)	—	—	—
BCI money market funds	3,376	0.2	9,291	0.6
Total	\$ 1,569,189	100.0 %	\$ 1,611,013	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 510,296	32.5 %	\$ 540,231	33.5 %
United States Dollar	1,038,814	66.2	1,042,542	64.7
Net foreign currency exposure	\$ 1,549,110	98.7 %	\$ 1,582,773	98.2 %

2015 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$15,491 (2019 - \$15,828), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	37,148	\$	26,577
United States Dollar		126,485		196,426
Net foreign currency exposure through unfunded capital commitments	\$	163,633	\$	223,003

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$1,636 (2019 - \$2,230). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Staples	\$ —	— %	\$ 81,149	5.1 %
Information Technology	220,240	14.1	307,166	19.1
	220,240	14.1	388,315	24.2
Total Unlisted Private Equity Investee Funds in diversified industries	1,344,740	85.9	1,213,407	75.8
Total	\$ 1,564,980	100.0 %	\$ 1,601,722	100.0 %

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

2015 PRIVATE PLACEMENT FUND

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ —	— %	\$ 81,149	5.1 %
North America	220,240	14.1	307,166	19.1
	220,240	14.1	388,315	24.2
Total Unlisted Private Equity Investee Funds diversified globally	1,344,740	85.9	1,213,407	75.8
Total	\$ 1,564,980	100.0 %	\$ 1,601,722	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$156,920 (2019 - 161,102), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2015 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net investment-related receivables	\$ —	\$ 836	\$ —	\$ 836	\$ —	\$ —	\$ —	\$ —
Unlisted private equity investee funds	—	—	1,344,740	1,344,740	—	—	1,213,407	1,213,407
Direct private equity investments	—	—	220,240	220,240	—	—	388,315	388,315
Foreign currency contracts, net	—	(3)	—	(3)	—	—	—	—
BCI money market funds	3,386	—	—	3,386	9,301	—	—	9,301
Total investments	\$ 3,386	\$ 833	\$ 1,564,980	\$ 1,569,199	\$ 9,301	\$ —	\$ 1,601,722	\$ 1,611,023

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 388,315	\$ 1,213,407	\$ 1,601,722
Total gains recognized in profit or loss	36,095	249,574	285,669
Purchases	756	92,328	93,084
Sales	(204,926)	(210,569)	(415,495)
Closing balance, end of year	\$ 220,240	\$ 1,344,740	\$ 1,564,980
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 6,344	\$ 220,168	\$ 226,512

2015 PRIVATE PLACEMENT FUND

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 430,184	\$ 1,079,161	\$	1,509,345
Total gains recognized in profit or loss	78,489	231,071		309,560
Purchases	—	159,134		159,134
Sales	(120,358)	(255,959)		(376,317)
Closing balance, end of year	\$ 388,315	\$ 1,213,407	\$	1,601,722
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 50,595	\$ 210,687	\$	261,282

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 220,240	Net Asset Value	Net Asset Value	\$ 220,240	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 835,009	Net Asset Value	Net Asset Value	\$ 835,009	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 509,731	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 509,731	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 307,166	Net Asset Value	Net Asset Value	\$ 307,166	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 81,149	Market approach	EBITDA multiple	12.75x	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,213,407	Net Asset Value	Net Asset Value	\$ 1,213,407	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

EBITDA multiples:

EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

2015 PRIVATE PLACEMENT FUND

Net Asset Value:

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

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

Adjusted Net Asset Value:

Represents the adjusted net asset value of unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	156,498	\$	160,172
Unfavourable		(156,498)		(160,172)

2015 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 3,386	2	\$ 1,830,990	\$ 9,301
Unlisted private equity investee funds administered by third party managers	11	24,420,062	1,344,740	11	22,635,971	1,213,407

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2016 PRIVATE PLACEMENT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 42,871	\$ —
Other receivables		—	75
Investments		4,577,111	3,363,798
Total assets		4,619,982	3,363,873
Liabilities			
BCI cost recoveries payable	4	1,180	1,131
Other accounts payable		29	21
Payable for distribution		42,871	—
		44,080	1,152
Net assets attributable to holders of redeemable units		\$ 4,575,902	\$ 3,362,721
Number of redeemable units outstanding	5	6,323.835	6,163.793
Net assets attributable to holders of redeemable units per unit		\$ 724	\$ 546
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2016 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Interest income		\$ 1	\$ 7
Other income		310	208
Foreign exchange gain		—	19
Change in fair value of investments:			
Net realized gain		58,133	16,715
Net change in unrealized appreciation		1,068,030	317,749
Total revenue		1,126,474	334,698
Expenses			
BCI cost recoveries	4	1,988	1,441
Administrative fees		49	60
Total operating expenses		2,037	1,501
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		1,124,437	333,197
Distributions to holders of redeemable units:			
From net investment income		(311)	—
From net realized gains on investments		(54,232)	(15,453)
		(54,543)	(15,453)
Increase in net assets attributable to holders of redeemable units		\$ 1,069,894	\$ 317,744

2016 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 3,362,721	\$ 2,278,775
Increase in net assets attributable to holders of redeemable units	1,069,894	317,744
Redeemable unit transactions:		
Proceeds from units issued	370,729	839,744
Reinvestment of distributions	54,543	15,453
Amounts paid for units redeemed	(281,985)	(88,995)
Net increase from redeemable unit transactions	143,287	766,202
Balance, end of year	\$ 4,575,902	\$ 3,362,721

2016 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase in net assets attributable to holders of redeemable units	\$ 1,069,894	\$ 317,744
Adjustments for:		
Foreign exchange gain	—	(19)
Interest income	(1)	—
Net realized gain from investments	(58,133)	(16,715)
Net change in unrealized appreciation of investments	(1,068,030)	(317,749)
Non cash distributions	54,543	15,453
Proceeds from sale of investments	282,145	90,156
Amounts paid for purchase of investments	(369,295)	(839,721)
Other receivables	75	(75)
BCI cost recoveries payable	49	148
Other accounts payable	8	10
Interest received	1	—
	(88,744)	(750,768)
Financing activities		
Proceeds from issuance of redeemable units	370,729	839,744
Payments on redemption of redeemable units	(281,985)	(88,995)
	88,744	750,749
Net decrease in cash	—	(19)
Effect of exchange rate changes on cash	—	19
Cash, beginning and end of year	\$ —	\$ —

2016 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 4,577,101	\$ 2,658,832	\$ 3,363,787	\$ 2,513,548
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	9	9	10	10
Fund ST3	1	1	1	1
	10	10	11	11
Total Investments	\$ 4,577,111	\$ 2,658,842	\$ 3,363,798	\$ 2,513,559

¹ The private equity investments are held through private corporations and a limited partnership.

2016 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2016 Private Placement Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ —	— %	\$ 228	— %
Unlisted private equity investee funds	3,892,869	85.1	2,766,150	82.2
Direct private equity investments	678,320	14.8	597,302	17.8
BCI money market funds	5,912	0.1	107	—
Total	\$ 4,577,101	100.0 %	\$ 3,363,787	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 1,705,896	37.3 %	\$ 1,051,711	31.3 %
United States Dollar	2,871,163	62.7	2,312,112	68.8
Net foreign currency exposure	\$ 4,577,059	100.0 %	\$ 3,363,823	100.1 %

2016 PRIVATE PLACEMENT FUND

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

As at December 31, 2020, 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 \$45,771 (2019 - \$33,638), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	77,859	\$	174,851
United States Dollar		771,805		994,154
Net foreign currency exposure through unfunded capital commitments	\$	849,664	\$	1,169,005

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$8,497 (2019 - \$11,690). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Financials	\$ 549,686	12.0 %	\$ 365,927	10.9 %
Industrials	128,634	2.8	231,375	6.9
	678,320	14.8	597,302	17.8
Total Unlisted Private Equity Investee Funds in diversified industries	3,892,869	85.2	2,766,150	82.2
Total	\$ 4,571,189	100.0 %	\$ 3,363,452	100.0 %

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

2016 PRIVATE PLACEMENT FUND

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ 549,686	12.0 %	\$ 365,927	10.9 %
North America	128,634	2.8	231,375	6.9
	678,320	14.8	597,302	17.8
Total Unlisted Private Equity Investee Funds diversified globally	3,892,869	85.2	2,766,150	82.2
Total	\$ 4,571,189	100.0 %	\$ 3,363,452	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately 457,711 (2019 - \$336,380), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2016 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 228	\$ —	\$ 228
Unlisted private equity investee funds	—	—	3,892,869	3,892,869	—	—	2,766,150	2,766,150
Direct private equity investments	—	—	678,320	678,320	—	—	597,302	597,302
BCI money market funds	5,922	—	—	5,922	118	—	—	118
Total investments	\$ 5,922	\$ —	\$ 4,571,189	\$ 4,577,111	\$ 118	\$ 228	\$ 3,363,452	\$ 3,363,798

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 597,302	\$ 2,766,150	\$ 3,363,452
Total gains recognized in profit or loss	166,785	973,683	1,140,468
Purchases	9,497	426,768	436,265
Sales	(95,264)	(273,732)	(368,996)
Closing balance, end of year	\$ 678,320	\$ 3,892,869	\$ 4,571,189
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 168,420	\$ 929,611	\$ 1,098,031

2016 PRIVATE PLACEMENT FUND

	2019			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 575,507	\$ 1,703,214	\$	2,278,721
Total gains recognized in profit or loss	29,249	285,191		314,440
Purchases	—	856,938		856,938
Sales	(7,454)	(79,193)		(86,647)
Closing balance, end of year	\$ 597,302	\$ 2,766,150	\$	3,363,452
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 29,210	\$ 277,744	\$	306,954

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2020						Sensitivity to Change in Significant Unobservable Input
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average		
Direct Private Equity Investments	\$ 30,564	Net Asset Value	Net Asset Value	\$ 30,564	N/A		The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 98,070	Market approach	EBITDA multiple	12.1x	N/A		The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Direct Private Equity Investments	\$ 549,686	Discounted Cash Flows	Discount rate	12.0%	N/A		The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 3,491,076	Net Asset Value	Net Asset Value	\$ 3,491,076	N/A		The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 401,793	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 401,793	N/A		The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

2016 PRIVATE PLACEMENT FUND

2019

	Fair Value		Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$	231,375	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 231,375	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Direct Private Equity Investments	\$	365,927	Discounted Cash Flows	Discount rate	13.5%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$	2,438,824	Net Asset Value	Net Asset Value	\$ 2,438,824	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$	327,326	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 327,326	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

Discount Rate:

Represents the discount rate applied to the projected future cash flows of each investment. Discount rates and projected cash flows are based on various investment-specific and macroeconomic inputs and assumptions. Discount rates are adjusted to reflect the risk inherent in the projected cash flows.

Net Asset Value:

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

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

Adjusted Net Asset Value:

Represents the adjusted net asset value of direct private equity investments and unlisted private equity investee funds. BCI management values these investments primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

EBITDA multiples:

EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

2016 PRIVATE PLACEMENT FUND

Effects of Unobservable Input on Fair Value Measurement

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

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	457,119	\$	336,345
Unfavourable		(457,119)		(336,345)

2016 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 5,922	2	\$ 1,830,990	\$ 118
Unlisted private equity investee funds administered by third party managers	13	63,911,423	3,892,869	13	40,251,672	2,766,150

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2016 PRIVATE PLACEMENT FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2020							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Hayfin Capital Partners	European credit platform specializing in sourcing structuring, and managing European private debt instruments	Common shares	Subsidiary	U.K.	England	62.4 %	62.4 %
Pilot Air Freight LLC	Freight Forwarding & Logistics	Common shares	Associate	Global	U.S.	41.0 %	41.0 %
2019							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Hayfin Capital Partners	European credit platform specializing in sourcing structuring, and managing European private debt instruments	Common shares	Subsidiary	U.K.	England	61.1 %	61.1 %
Pilot Air Freight LLC	Freight Forwarding & Logistics	Common shares	Associate	Global	U.S.	41.0 %	41.0 %

During 2020 and 2019, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2017 PRIVATE EQUITY FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 18,665	\$ —
Investments		3,088,169	2,067,785
Total assets		3,106,834	2,067,785
Liabilities			
BCI cost recoveries payable	4	1,423	1,358
Other accounts payable		27	21
Payable for distribution		18,665	—
		20,115	1,379
Net assets attributable to holders of redeemable units		\$ 3,086,719	\$ 2,066,406
Number of redeemable units outstanding	5	16,902.801	14,469.885
Net assets attributable to holders of redeemable units per unit		\$ 183	\$ 143
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2017 PRIVATE EQUITY FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Change in fair value of investments:			
Net realized gain		\$ 23,957	\$ 199
Net change in unrealized appreciation		642,303	372,673
Total revenue		666,260	372,872
Expenses			
BCI cost recoveries	4	1,409	1,006
Administrative fees		38	50
Pursuit costs		—	11
Total operating expenses		1,447	1,067
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		664,813	371,805
Distributions to holders of redeemable units:			
From net realized gains on investments		(18,665)	—
		(18,665) \$	—
Increase in net assets attributable to holders of redeemable units		\$ 646,148	\$ 371,805

2017 PRIVATE EQUITY FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 2,066,406	\$ 1,161,154
Increase in net assets attributable to holders of redeemable units	646,148	371,805
Redeemable unit transactions:		
Proceeds from units issued	473,907	537,921
Reinvestment of distributions	18,665	—
Amounts paid for units redeemed	(118,407)	(4,474)
Net increase from redeemable unit transactions	374,165	533,447
Balance, end of year	\$ 3,086,719	\$ 2,066,406

2017 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase in net assets attributable to holders of redeemable units	\$ 646,148	\$ 371,805
Adjustments for:		
Net realized gain from investments	(23,957)	(199)
Net change in unrealized appreciation of investments	(642,303)	(372,673)
Non cash distributions	18,665	—
Proceeds from sale of investments	195,254	4,472
Amounts paid for purchase of investments	(549,378)	(537,016)
BCI cost recoveries payable	65	154
Other accounts payable	6	10
	(355,500)	(533,447)
Financing activities		
Proceeds from issuance of redeemable units	473,907	537,921
Payments on redemption of redeemable units	(118,407)	(4,474)
	355,500	533,447
Net increase in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

See accompanying Notes to the Financial Statements

2017 PRIVATE EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 3,088,156	\$ 2,007,481	\$ 2,067,774	\$ 1,629,401
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	13	13	11	12
Total Investments	\$ 3,088,169	\$ 2,007,494	\$ 2,067,785	\$ 1,629,413

¹ The private equity investments are held through private corporations and limited partnerships.

2017 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2017 Private Equity Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Net investment-related payables	\$ (1)	— %	\$ (1)	— %
Unlisted private equity investee funds	1,831,317	59.3	1,193,622	57.7
Direct private equity investments	1,246,815	40.4	874,077	42.3
BCI money market funds	10,025	0.3	76	—
Total	\$ 3,088,156	100.0 %	\$ 2,067,774	100.0 %

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

Credit Risk

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

Liquidity Risk

The Fund's financial assets include direct private equity investments and unlisted private equity investee funds, which are generally illiquid.

As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements.

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 1,526,689	49.5 %	\$ 1,016,610	49.2 %
United States Dollar	1,561,436	50.6	1,051,128	50.9
Net foreign currency exposure	\$ 3,088,125	100.1 %	\$ 2,067,738	100.1 %

2017 PRIVATE EQUITY FUND

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

As at December 31, 2020, 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 \$30,881 (2019 - \$20,677), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Euro	\$	342,303	\$	449,575
United States Dollar		705,338		967,347
Net foreign currency exposure through unfunded capital commitments	\$	1,047,641	\$	1,416,922

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$10,476 (2019 - \$14,169). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Staples	\$ 878,833	28.5 %	\$ 625,241	30.3 %
Financials	150,137	4.9	89,665	4.3
Health Care	217,845	7.1	159,171	7.7
	1,246,815	40.5	874,077	42.3
Total Unlisted Private Equity Investee Funds in diversified industries	1,831,317	59.5	1,193,622	57.7
Total	\$ 3,078,132	100.0 %	\$ 2,067,699	100.0 %

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

2017 PRIVATE EQUITY FUND

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ 1,246,815	40.5 %	\$ 784,412	38.0 %
North America	—	—	89,665	4.3
	1,246,815	40.5	874,077	42.3
Total Unlisted Private Equity Investee Funds diversified globally	1,831,317	59.5	1,193,622	57.7
Total	\$ 3,078,132	100.0 %	\$ 2,067,699	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$308,817 (2019 - \$206,779), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2017 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net investment-related payables	\$ —	\$ (1)	\$ —	\$ (1)	\$ —	\$ (1)	\$ —	\$ (1)
Unlisted private equity investee funds	—	—	1,831,317	1,831,317	—	—	1,193,622	1,193,622
Direct private equity investments	—	—	1,246,815	1,246,815	—	—	874,077	874,077
BCI money market funds	10,038	—	—	10,038	87	—	—	87
Total investments	\$ 10,038	\$ (1)	\$ 3,078,132	\$ 3,088,169	\$ 87	\$ (1)	\$ 2,067,699	\$ 2,067,785

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 874,077	\$ 1,193,622	\$ 2,067,699
Total gains recognized in profit or loss	329,560	344,869	674,429
Purchases	43,178	445,487	488,665
Sales	—	(152,661)	(152,661)
Closing balance, end of year	\$ 1,246,815	\$ 1,831,317	\$ 3,078,132
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 329,560	\$ 312,400	\$ 641,960

2017 PRIVATE EQUITY FUND

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 639,063	\$ 523,229	\$	1,162,292
Total gains recognized in profit or loss	187,968	181,775		369,743
Purchases	101,206	511,947		613,153
Sales	(54,160)	(23,329)		(77,489)
Closing balance, end of year	\$ 874,077	\$ 1,193,622	\$	2,067,699
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 187,917	\$ 176,925	\$	364,842

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,246,815	Net Asset Value	Net Asset Value	\$ 1,246,815	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,312,709	Net Asset Value	Net Asset Value	\$ 1,312,709	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 518,608	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 518,608	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

2019					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 874,077	Net Asset Value	Net Asset Value	\$ 874,077	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 751,555	Net Asset Value	Net Asset Value	\$ 751,555	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 442,067	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 442,067	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

2017 PRIVATE EQUITY FUND

Adjusted Net Asset Value:

Represents the adjusted net asset value of unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	307,813	\$	206,770
Unfavourable		(307,813)		(206,770)

2017 PRIVATE EQUITY FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 10,038	2	\$ 1,830,990	\$ 87
Unlisted private equity investee funds administered by third party managers	13	51,211,703	1,831,317	13	29,560,150	1,193,622

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2017 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2020							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Refresco Group N.V.	Industrial Bottling	Limited partnership interest	Associate	Europe, U.K., and U.S.	The Netherlands	29.8 %	29.8 %

2019							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Refresco Group N.V.	Industrial Bottling	Limited partnership interest	Associate	Europe, U.K., and U.S.	The Netherlands	29.9 %	29.9 %

During 2020 and 2019, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2018 PRIVATE EQUITY FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 1,795	\$ —
Investments		2,319,071	1,470,150
Total assets		2,320,866	1,470,150
Liabilities			
BCI cost recoveries payable	4	2,679	2,963
Other accounts payable		27	21
Payable for distribution		1,795	—
		4,501	2,984
Net assets attributable to holders of redeemable units		\$ 2,316,365	\$ 1,467,166
Number of redeemable units outstanding	5	6,110.113	4,240.379
Net assets attributable to holders of redeemable units per unit		\$ 379	\$ 346
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2018 PRIVATE EQUITY FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Interest income		\$ 1	\$ 3
Other income		2,274	2,375
Foreign exchange gain (loss)		19	(5)
Change in fair value of investments:			
Net realized gain		3,231	2,337
Net change in unrealized appreciation		210,483	157,280
Total revenue		216,008	161,990
Expenses			
BCI cost recoveries	4	1,770	19,267
Administrative fees		39	56
Pursuit costs		43	389
Total operating expenses		1,852	19,712
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		214,156	142,278
Distributions to holders of redeemable units:			
From net investment income		(8)	—
From net realized gains on investments		(1,795)	—
		(1,803)	—
Increase in net assets attributable to holders of redeemable units		\$ 212,353	\$ 142,278

2018 PRIVATE EQUITY FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ 1,467,166	\$ 931,259
Increase in net assets attributable to holders of redeemable units	212,353	142,278
Redeemable unit transactions:		
Proceeds from units issued	664,389	417,638
Reinvestment of distributions	1,803	—
Amounts paid for units redeemed	(29,346)	(24,009)
Net increase from redeemable unit transactions	636,846	393,629
Balance, end of year	\$ 2,316,365	\$ 1,467,166

2018 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Operating activities		
Increase in net assets attributable to holders of redeemable units	\$ 212,353	\$ 142,278
Adjustments for:		
Foreign exchange (gain) loss	(19)	5
Net realized gain from investments	(3,231)	(2,337)
Net change in unrealized appreciation of investments	(210,483)	(157,280)
Non cash distributions	1,803	—
Proceeds from sale of investments	29,677	24,328
Amounts paid for purchase of investments	(664,884)	(400,175)
BCI cost recoveries payable	(284)	(453)
Other accounts payable	6	10
	(635,062)	(393,624)
Financing activities		
Proceeds from issuance of redeemable units	664,389	417,638
Payments on redemption of redeemable units	(29,346)	(24,009)
	635,043	393,629
Net increase (decrease) in cash	(19)	5
Effect of exchange rate changes on cash	19	(5)
Cash, beginning and end of year	\$ —	\$ —

2018 PRIVATE EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 2,319,060	\$ 1,841,289	\$ 1,469,197	\$ 1,201,908
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	199	199
Fund ST3	1	1	754	755
	11	11	953	954
Total Investments	\$ 2,319,071	\$ 1,841,300	\$ 1,470,150	\$ 1,202,862

¹ The private equity investments are held through private corporations.

2018 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2018 Private Equity Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 1,052,831	45.5 %	\$ 388,472	26.4 %
Direct private equity investments	1,262,223	54.3	1,080,685	73.6
BCI money market funds	4,006	0.2	40	—
Total	\$ 2,319,060	100.0 %	\$ 1,469,197	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2020, 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.

	2020		2019	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 17,867	0.8 %	\$ (850)	(0.1) %
Euro	637,450	27.5	339,176	23.1
United States Dollar	1,627,281	70.3	1,110,179	75.7
Net foreign currency exposure	\$ 2,282,598	98.6 %	\$ 1,448,505	98.7 %

2018 PRIVATE EQUITY FUND

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

As at December 31, 2020, 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 \$22,826 (2019 - \$14,485), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020		2019	
Australian Dollar	\$	46,070	\$	53,690
Euro		511,927		561,500
United States Dollar		1,038,516		1,652,404
Net foreign currency exposure through unfunded capital commitments	\$	1,596,513	\$	2,267,594

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$15,965 (2019 - \$22,676). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Discretionary	\$ 201,970	8.7 %	\$ 138,297	9.4 %
Industrials	209,033	9.0	92,806	6.2
Information Technology	851,220	36.8	849,582	58.0
	1,262,223	54.5	1,080,685	73.6
Total Unlisted Private Equity Investee Funds in diversified industries	1,052,831	45.5	388,472	26.4
Total	\$ 2,315,054	100.0 %	\$ 1,469,157	100.0 %

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

2018 PRIVATE EQUITY FUND

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ 445,334	19.2 %	\$ 303,462	20.6 %
North America	816,889	35.3	777,223	53.0
	1,262,223	54.5	1,080,685	73.6
Total Unlisted Private Equity Investee Funds diversified globally	1,052,831	45.5	388,472	26.4
Total	\$ 2,315,054	100.0 %	\$ 1,469,157	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$231,907 (2019 - \$147,015), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2018 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 1,052,831	\$ 1,052,831	\$ —	\$ —	\$ 388,472	\$ 388,472
Direct private equity investments	—	—	1,262,223	1,262,223	—	—	1,080,685	1,080,685
BCI money market funds	4,017	—	—	4,017	993	—	—	993
Total investments	\$ 4,017	\$ —	\$ 2,315,054	\$ 2,319,071	\$ 993	\$ —	\$ 1,469,157	\$ 1,470,150

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 1,080,685	\$ 388,472	\$ 1,469,157	
Total gains recognized in profit or loss	34,188	180,681	214,869	
Purchases	147,556	598,135	745,691	
Sales	(206)	(114,457)	(114,663)	
Closing balance, end of year	\$ 1,262,223	\$ 1,052,831	\$ 2,315,054	
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 34,005	\$ 163,619	\$ 197,624	

2018 PRIVATE EQUITY FUND

2019				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds		Total
Opening balance, beginning of year	\$ 865,945	\$ 67,698	\$	933,643
Total gains recognized in profit or loss	145,079	11,923		157,002
Purchases	70,037	335,604		405,641
Sales	(376)	(26,753)		(27,129)
Closing balance, end of year	\$ 1,080,685	\$ 388,472	\$	1,469,157
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 145,091	\$ 10,053	\$	155,144

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 809,826	Net Asset Value	Net Asset Value	\$ 809,826	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 243,364	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 243,364	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Direct Private Equity Investments	\$ 209,033	Discounted Cash Flows	Discount rate	7.4%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 1,052,831	Net Asset Value	Net Asset Value	\$ 1,052,831	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
2019						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 987,879	Net Asset Value	Net Asset Value	\$ 987,879.0	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 92,806	Discounted Cash Flows	Discount rate	9.6%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 388,472	Net Asset Value	Net Asset Value	\$ 388,472	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

2018 PRIVATE EQUITY FUND

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

Discount Rate:

Represents the discount rate applied to the projected future cash flows of each investment. Discount rates and projected cash flows are based on various investment-specific and macroeconomic inputs and assumptions. Discount rates are adjusted to reflect the risk inherent in the projected cash flows.

Adjusted Net Asset Value:

Represents the adjusted net asset value of direct private equity investments. BCI management values these investments primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020		2019	
Favourable	\$	231,505	\$	146,916
Unfavourable		(231,505)		(146,916)

2018 PRIVATE EQUITY FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 4,017	2	\$ 1,830,990	\$ 993
Unlisted private equity investee funds administered by third party managers	14	19,637,200	1,052,831	15	5,209,226	388,472

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2018 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2020							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Verifone System Inc.	Financial Services	Common shares	Associate	U.S.	U.S.	19.9 %	19.9 %
Greenheart Gas LLC	Shipping	Common shares	Associate	U.S.	U.S.	46.2 %	46.2 %
ATL II Rock It Co-Invest, LP	Freight Forwarding & Logistics	Common shares	Associate	Global	U.S.	23.9 %	23.9 %
Springs Window Fashions	Industrials - Home Decor	Common shares	Associate	North America	U.S.	45.5 %	45.5 %
Global Restaurant Group Ltd	Restaurant franchiser and operator	Common shares	Subsidiary	South Korea	South Korea	41.9 %	41.9 %

2019							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Verifone System Inc.	Financial Services	Common shares	Associate	U.S.	U.S.	20.1 %	20.1 %
Greenheart Gas LLC	Shipping	Common shares	Associate	U.S.	U.S.	46.2 %	46.2 %
ATL II Rock It Co-Invest, LP	Freight Forwarding & Logistics	Common shares	Associate	Global	U.S.	23.9 %	23.9 %
Springs Window Fashions	Industrials - Home Decor	Common shares	Associate	North America	U.S.	45.7 %	45.7 %
Global Restaurant Group Ltd	Restaurant franchiser and operator	Common shares	Subsidiary	South Korea	South Korea	41.9 %	41.9 %

During 2020 and 2019, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2019 PRIVATE EQUITY FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020, with comparative information for 2019

Assets	NOTES	2020	2019
Receivable from reinvestment of distributions		\$ 7,147	\$ —
Investments		1,949,240	1,145,060
Total assets		1,956,387	1,145,060
Liabilities			
BCI cost recoveries payable	4	1,320	2,836
Other accounts payable		27	350
Payable for distribution		7,147	—
		8,494	3,186
Net assets attributable to holders of redeemable units		\$ 1,947,893	\$ 1,141,874
Number of redeemable units outstanding	5	477,259,071.230	328,067,655.426
Net assets attributable to holders of redeemable units per unit		\$ —	\$ —
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	10		
<i>Subsequent events</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2019 PRIVATE EQUITY FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Revenue	NOTES	2020	2019
Interest income		\$ 13	\$ —
Other income		379	887
Foreign exchange gain		89	55
Change in fair value of investments:			
Net realized gain (loss)		8,046	(16)
Net change in unrealized appreciation		271,597	11,898
Total revenue		280,124	12,824
Expenses			
BCI cost recoveries	4	10,386	11,159
Administrative fees		35	37
Pursuit costs		1,041	2,309
Total operating expenses		11,462	13,505
Increase (decrease) in net assets attributable to holders of redeemable units from operations excluding distributions		268,662	(681)
Distributions to holders of redeemable units:			
From net realized gains on investments		(7,147)	—
		(7,147)	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 261,515	\$ (681)

2019 PRIVATE EQUITY FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of period	\$ 1,141,874	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units	261,515	(681)
Redeemable unit transactions:		
Proceeds from units issued	664,386	1,147,682
Reinvestment of distributions	7,147	—
Amounts paid for units redeemed	(127,029)	(5,127)
Net increase from redeemable unit transactions	544,504	1,142,555
Balance, end of period	\$ 1,947,893	\$ 1,141,874

2019 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

Operating activities	2020	2019
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 261,515	\$ (681)
Adjustments for:		
Foreign exchange gain	(89)	(55)
Interest income	(13)	—
Net realized (gain) loss from investments	(8,046)	16
Net change in unrealized appreciation of investments	(271,597)	(11,898)
Non cash distributions	7,147	—
Proceeds from sale of investments	133,549	5,133
Amounts paid for purchase of investments	(658,086)	(1,138,311)
BCI cost recoveries payable	(1,516)	2,836
Other accounts payable	(323)	350
Interest received	13	—
	(537,446)	(1,142,610)
Financing activities		
Proceeds from issuance of redeemable units	664,386	1,147,682
Payments on redemption of redeemable units	(127,029)	(5,127)
	537,357	1,142,555
Net decrease in cash	(89)	(55)
Effect of exchange rate changes on cash	89	55
Cash, beginning and end of period	\$ —	\$ —

2019 PRIVATE EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,949,229	\$ 1,665,735	\$ 1,145,050	\$ 1,133,153
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Fund ST3	1	1	—	—
	11	11	10	10
Total Investments	\$ 1,949,240	\$ 1,665,746	\$ 1,145,060	\$ 1,133,163

¹ The private equity investments are held through private corporations.

2019 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2019 Private Equity Fund.

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

	2020		2019	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ 11,203	0.6 %	\$ 8,277	0.7 %
Direct private debt investments	388,307	19.9	339,097	29.6
Unlisted private equity investee funds	683,463	35.1	248,398	21.7
Direct private equity investments	866,231	44.4	549,242	48.0
Foreign currency contracts, net	(8)	—	—	—
BCI money market funds	33	—	36	—
Total	\$ 1,949,229	100.0 %	\$ 1,145,050	100.0 %

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

Credit Risk

The Fund's private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The Fund's debt investments are not subject to credit risk as any decrease in fair value would result in an offsetting change in value of the related equity investment.

Liquidity Risk

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

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

Interest Rate Risk

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2020 and 2019, the Fund had no other assets or liabilities which change in value as a result of changes in interest rates.

Currency Risk

At December 31, 2020, 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.

2019 PRIVATE EQUITY FUND

CURRENCY	2020		2019	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 188,763	9.7 %	\$ 145,848	12.8 %
British Pound Sterling	479,476	24.6	472,079	41.3
Euro	240,673	12.4	33,898	3.0
United States Dollar	1,040,297	53.4	493,214	43.2
Net foreign currency exposure	\$ 1,949,209	100.1 %	\$ 1,145,039	100.3 %

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

As at December 31, 2020, 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 \$19,492 (2019 - \$11,450), representing 1.0% of the Fund's net assets (2019 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020	2019
British Pound Sterling	\$ 91,865	\$ 7,146
Euro	844,845	922,510
United States Dollar	1,866,477	2,105,288
Net foreign currency exposure through unfunded capital commitments	\$ 2,803,187	\$ 3,034,944

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$28,032 (2019 - \$30,349). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's direct private equity investments, direct private debt investments, and unlisted private equity investee funds are concentrated in the following industries:

2019 PRIVATE EQUITY FUND

INDUSTRY SECTOR	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Consumer Discretionary	\$ 187,101	9.7 %	\$ 145,848	12.8 %
Financials	381,277	19.7	300,627	26.4
Health Care	378,161	19.5	384,914	33.9
Information Technology	99,702	5.1	56,950	5.0
Telecommunication Services	208,297	10.7	—	—
	1,254,538	64.7	888,339	78.1
Total Unlisted Private Equity Investee Funds in diversified industries	683,463	35.3	248,398	21.9
Total	\$ 1,938,001	100.0 %	\$ 1,136,737	100.0 %

The Fund's direct private equity investments, direct private debt investments, and unlisted private equity investee funds are concentrated in the following industries:

GEOGRAPHIC REGION	2020		2019	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Asia	\$ 278,701	14.4 %	\$ 51,763	4.6 %
Europe	389,379	20.1	305,814	26.8
North America	586,458	30.2	530,762	46.7
	1,254,538	64.7	888,339	78.1
Total Unlisted Private Equity Investee Funds diversified globally	683,463	35.3	248,398	21.9
Total	\$ 1,938,001	100.0 %	\$ 1,136,737	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately 194,924 (2019 - \$114,506), representing 10.0% (2019 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2019 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

	2020				2019			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net investment-related receivables	—	11,203	—	11,203	—	8,277	—	8,277
Direct private debt investments	—	—	388,307	388,307	—	—	339,097	339,097
Unlisted private equity investee funds	—	—	683,463	683,463	—	—	248,398	248,398
Direct private equity investments	—	—	866,231	866,231	—	—	549,242	549,242
Foreign currency contracts, net	—	(8)	—	(8)	—	—	—	—
BCI money market funds	44	—	—	44	46	—	—	46
Total investments	\$ 44	\$ 11,195	\$ 1,938,001	\$ 1,949,240	\$ 46	\$ 8,277	\$ 1,136,737	\$ 1,145,060

During 2020 and 2019, there were no significant transfers between Level 1 and Level 2.

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

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

	2020			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 549,242	\$ 339,097	\$ 248,398	\$ 1,136,737
Total gains recognized in profit or loss	136,685	7,805	102,994	247,484
Purchases	196,038	2,603	501,416	700,057
Sales	(15,734)	38,802	(169,345)	(146,277)
Closing balance, end of year	\$ 866,231	\$ 388,307	\$ 683,463	\$ 1,938,001
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 131,658	\$ 6,966	\$ 92,806	\$ 231,430

2019 PRIVATE EQUITY FUND

	2019				
	Direct Private Equity Investments		Direct Private Debt Investments		Unlisted Private Equity Investee Funds
					Total
Opening balance, beginning of period	\$	—	\$	—	\$ —
Total gains (losses) recognized in profit or loss		(721)		13,735	4,000
Purchases		549,963		325,362	1,132,737
Closing balance, end of period	\$	549,242	\$	339,097	\$ 248,398
Total unrealized gains (losses) for the period included in profit or loss related to level 3 investments held at the reporting date	\$	(721)	\$	13,735	\$ 4,000

During 2020 and 2019, there were no significant transfers into or out of Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 866,231	Net Asset Value	Net Asset Value	\$ 866,231	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 584,908	Net Asset Value	Net Asset Value	\$ 584,908	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 98,555	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 98,555	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Direct Private Debt Investments	\$ 380,204	Net Asset Value	Net Asset Value	\$ 380,204	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 8,103	Discounted Cash Flows	Discount rate	14.1%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
2019						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 51,763	Net Asset Value	Net Asset Value	\$ 51,763	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 497,479	Market approach	EBITDA multiple	14.3x - 17.5x	18.8x	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 248,398	Net Asset Value	Net Asset Value	\$ 248,398	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 333,910	Market approach	EBITDA multiple	14.3x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Direct Private Debt Investments	\$ 5,187	Discounted Cash Flows	Discount rate	9.0%	9.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

2019 PRIVATE EQUITY FUND

Significant unobservable inputs are developed as follows:

EBITDA multiples:

EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Discount Rate:

Represents the discount rate applied to the projected future cash flows of each investment. Discount rates and projected cash flows are based on various investment-specific and macroeconomic inputs and assumptions. Discount rates are adjusted to reflect the risk inherent in the projected cash flows.

Net Asset Value:

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

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

Adjusted Net Asset Value:

Represents the adjusted net asset value of unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

	2020	2019
Favourable	193,800 \$	113,674
Unfavourable	(193,800)	(113,674)

2019 PRIVATE EQUITY FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2020			2019		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 44	2	\$ 1,830,990	\$ 46
Unlisted private equity investee funds administered by third party managers	11	9,594,498	683,463	10	1,493,273	248,398

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020 and 2019, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2019 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2020							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Blackwood TopCo Limited	Insurance Distribution	Common shares and debt interest	Associate	Western Europe	U.K.	49.8 %	49.8 %
Valence ST LP	Industrials	Common shares	Associate	North America	U.S.	44.2 %	44.2 %
Searchlight Capital II OPT Co-Invest Partners, L.P.	Telecommunication Services	Common shares	Associate	North America	U.S.	16.8 %	16.8 %

2019							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Blackwood TopCo Limited	Insurance Distribution	Common shares	Subsidiary	Western Europe	U.K.	49.8 %	49.8 %
Valence ST LP	Industrials	Common shares	Associate	North America	U.S.	44.0 %	44.0 %

During 2020 and 2019, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2020 PRIVATE EQUITY FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2020 (note 1)

Assets	NOTES	2020
Receivable from reinvestment of distributions	\$	726
Investments		695,162
Total assets		695,888
Liabilities		
BCI cost recoveries payable	4	2,474
Other accounts payable		156
Payable for distribution		726
		3,356
Net assets attributable to holders of redeemable units	\$	692,532
Number of redeemable units outstanding	5	206,730
Net assets attributable to holders of redeemable units per unit	\$	3,350
<i>Unfunded committed capital</i>	6	
<i>Uncertainties related to COVID-19</i>	10	
<i>Subsequent events</i>	11	

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2020 PRIVATE EQUITY FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Period ended December 31, 2020 (note 1)

Revenue	NOTES	2020
Change in fair value of investments:		
Net realized gain	\$	726
Net change in unrealized appreciation		28,422
Total revenue		29,148
Expenses		
BCI cost recoveries	4	26,675
Administrative fees		27
Pursuit costs		795
Total operating expenses		27,497
Increase in net assets attributable to holders of redeemable units from operations excluding distributions		1,651
Distributions to holders of redeemable units:		
From net realized gains on investments		(726)
		(726)
Increase in net assets attributable to holders of redeemable units	\$	925

2020 PRIVATE EQUITY FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Period ended December 31, 2020 (note 1)

	2020
Balance, beginning of period	\$ —
Increase in net assets attributable to holders of redeemable units	925
Redeemable unit transactions:	
Proceeds from units issued	734,511
Reinvestment of distributions	726
Amounts paid for units redeemed	(43,630)
Net increase from redeemable unit transactions	691,607
Balance, end of period	\$ 692,532

2020 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Period ended December 31, 2020 (note 1)

Operating activities	2020
Increase in net assets attributable to holders of redeemable units	\$ 925
Adjustments for:	
Net realized gain from investments	(726)
Net change in unrealized appreciation of investments	(28,422)
Non cash distributions	726
Proceeds from sale of investments	43,664
Amounts paid for purchase of investments	(709,678)
BCI cost recoveries payable	2,474
Other accounts payable	156
	(690,881)
Financing activities	
Proceeds from issuance of redeemable units	734,511
Payments on redemption of redeemable units	(43,630)
	690,881
Net changes in cash	—
Cash, beginning and end of period	\$ —

2020 PRIVATE EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2020, with comparative information for 2019

	2020	
	Fair Value	Cost
Private Equity Investments ¹	\$ 695,152	\$ 666,730
Money Market Investments		
Units in BCI Pooled Investment Portfolio		
Fund ST1	10	10
Total Investments	\$ 695,162	\$ 666,740

¹ The private equity investments are held through private corporations.

2020 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2020 Private Equity Fund.

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

	2020	
	Total	% of Total
Net investment-related receivables	\$ 3,025	0.4 %
Direct private debt investments	108,258	15.6
Unlisted private equity investee funds	35,604	5.1
Direct private equity investments	548,247	78.9
BCI money market funds	18	—
Total	\$ 695,152	100.0 %

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

Credit Risk

The Fund's private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The Fund's debt investments are not subject to credit risk as any decrease in fair value would result in an offsetting change in value of the related equity investment.

Liquidity Risk

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

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

Interest Rate Risk

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2020, the Fund had no other assets or liabilities which change in value as a result of changes in interest rates.

Currency Risk

At December 31, 2020, 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.

2020 PRIVATE EQUITY FUND

CURRENCY	2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 483,919	69.9 %
United States Dollar	211,227	30.5
Net foreign currency exposure	\$ 695,146	100.4 %

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

As at December 31, 2020, 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 \$6,951 representing 1.0% of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2020
British Pound Sterling	\$ 169,738
Euro	613,772
United States Dollar	1,004,490
Net foreign currency exposure through unfunded capital commitments	\$ 1,788,000

As at December 31, 2020, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$17,880. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares, bonds, and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

The Fund's direct private equity investments, direct private debt investments, and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR	2020	
	Total	% of Total
Direct Private Equity and Debt Investments		
Industrials	\$ 471,002	68.1 %
Information Technology	82,384	11.9
Telecommunication Services	103,119	14.9
	656,505	94.9
Total Unlisted Private Equity Investee Funds in diversified industries	35,604	5.1
Total	\$ 692,109	100.0 %

2020 PRIVATE EQUITY FUND

The Fund's direct private equity investments, direct private debt investments, and unlisted private equity investee funds are concentrated in the following industries:

GEOGRAPHIC REGION	2020	
	Total	% of Total
Direct Private Equity and Debt Investments		
Asia	\$ 20,938	3.0 %
Europe	471,002	68.1
North America	164,565	23.8
	656,505	94.9
Total Unlisted Private Equity Investee Funds diversified globally	35,604	5.1
Total	\$ 692,109	100.0 %

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

As at December 31, 2020, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$69,516, representing 10.0% of the Fund's net assets attributable to holders of redeemable units.

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

2020 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

As at December 31, all fair value measurements noted in the tables below are recurring.

2020					
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	
Net investment-related receivables	\$ —	\$ 3,025	\$ —	\$	3,025
Direct private debt investments	—	—	108,258		108,258
Unlisted private equity investee funds	—	—	35,604		35,604
Direct private equity investments	—	—	548,247		548,247
BCI money market funds	28	—	—		28
Total investments	\$ 28	\$ 3,025	\$ 692,109	\$	695,162

During 2020, there were no significant transfers between Level 1 and Level 2.

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

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

2020					
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Direct Private Debt Investments	Total	
Opening balance, beginning of period	\$ —	\$ —	\$ —	\$	—
Total gains recognized in profit or loss	2,695	16,612	2,834		22,141
Purchases	545,484	74,271	101,121		720,876
Sales	68	(55,279)	4,303		(50,908)
Closing balance, end of period	\$ 548,247	\$ 35,604	\$ 108,258	\$	692,109
Total unrealized gains for the period included in profit or loss related to level 3 investments held at the reporting date	\$ 2,695	\$ 16,561	\$ 2,717	\$	21,973

During 2020, there were no significant transfers into or out of Level 3.

2020 PRIVATE EQUITY FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 445,128	Net Asset Value	Net Asset Value	\$ 445,128	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 103,119	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 103,119	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Unlisted Private Equity Investee Funds	\$ 35,604	Net Asset Value	Net Asset Value	\$ 35,604	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 108,258	Net Asset Value	Net Asset Value	\$ 108,258	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Adjusted Net Asset Value:

Represents the adjusted net asset value of direct private equity investments. BCI management values these investments primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

Effects of Unobservable Input on Fair Value Measurement

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

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

The following table shows how net assets attributable to holders of redeemable units would change if the fair value of underlying investments was adjusted by 10%.

2020	
Favourable	\$ 69,211
Unfavourable	(69,211)

2020 PRIVATE EQUITY FUND

Involvement with Structured Entities

(Expressed in thousands of dollars, except number of investee funds)

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

2020			
Entity	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 2,904,346	\$ 28
Unlisted private equity investee funds administered by third party managers	5	414,441	35,604

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2020 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2020							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Waterlogic Plc	Business Services	Common shares	Associate	Europe	U.K.	23.4 %	23.4 %

During 2020, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

1. THE PORTFOLIOS

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

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (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 ("CIO") of BCI.

The Funds were established on the following dates:

Pooled Investment Portfolios	Dates Established	Pooled Investment Portfolios	Dates Established
Private Placement Fund 1996	March 20, 1996	2008 Private Placement Fund	January 9, 2008
Private Placement Fund 1997	March 12, 1997	2009 Private Placement Fund	January 13, 2009
Private Placement Fund 1998	March 12, 1998	2010 Private Placement Fund	January 29, 2010
Private Placement Fund 1999	March 17, 1999	2011 Private Placement Fund	February 11, 2011
Private Placement Fund 1999A	March 17, 1999	2012 Private Placement Fund	March 1, 2012
2000 Private Placement Fund	January 1, 2004	2013 Private Placement Fund	March 4, 2013
2001 Private Placement Fund	January 1, 2004	2014 Private Placement Fund	February 14, 2014
2002 Private Placement Fund	January 1, 2004	2015 Private Placement Fund	February 5, 2015
2003 Private Placement Fund	January 1, 2004	2016 Private Placement Fund	January 11, 2016
2004 Private Placement Fund	January 1, 2004	2017 Private Equity Fund	February 9, 2017
2005 Private Placement Fund	January 1, 2005	2018 Private Equity Fund	February 5, 2018
2006 Private Placement Fund	January 27, 2006	2019 Private Equity Fund	January 14, 2019
2007 Private Placement Fund	January 11, 2007	2020 Private Equity Fund*	January 21, 2020

*As this Fund was established in 2020, no comparative figures have been presented in the respective financial statements.

2. BASIS OF PRESENTATION

(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 July 12, 2021.

(b) Accounting for investments

The Funds qualify as investment entities as they meet the following definition of an investment entity outlined in IFRS 10, *Consolidated Financial Statements (IFRS 10)*:

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

(c) Basis of measurement

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. In determining the fair value of some of its investments, BCI reviews and assesses external managers' estimates and assumptions regarding investment industry performance and prospects, as well as general business and economic conditions that prevail or are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year is included in note 8. This information relates to the determination of fair value of investments with significant unobservable inputs.

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 expired.

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

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

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

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

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

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

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

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

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

(ii) Fair value through profit or loss

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the Statement of Comprehensive Income in the period in which they occur. The Funds' investments and redeemable units are classified as FVTPL.

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

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

(iii) Amortized cost

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

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

(b) Redeemable units

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

(c) Issue and redemption of units

Participation in each Fund is expressed in units. The initial value of a unit on inception is \$1 million. For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis. All of the Funds were fixed participation throughout the year where proportionate interest is determined when a Fund is first established, and, as a general rule, there is no ability for participating unitholders to increase or reduce their share of ownership.

(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.

(e) Revenue recognition

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined using the average cost basis of the respective investments. Pursuit costs are charged to net income of the respective Funds in the period incurred.

(f) Income taxes

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

(g) 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 year ended December 31, 2020, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Funds.

Effective on January 1, 2021:

- 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, 2023:

- IFRS 17 Insurance Contracts

4. RELATED PARTY TRANSACTIONS

Third party costs that are attributable to a specific Fund are charged to that Fund. Other costs initially borne by BCI are recovered from the various Funds on a cost recovery basis. BCI cost recoveries and corresponding payable are disclosed in each Fund's Statement of Comprehensive Income and Statement of Financial Position, respectively.

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.

5. REDEEMABLE UNITS

The Funds are authorized to issue an unlimited number of units. Units issued and outstanding represent the capital of each Fund. The Funds are not subject to any internally or externally imposed restrictions on their capital. BCI manages the capital of each Fund in accordance with the respective Fund's investment objectives, including managing the redeemable units to ensure a stable base to maximize returns to all investors, and managing liquidity in order to meet redemptions. The following is a summary of the changes in redeemable units outstanding during the period ended December 31:

	PRIVATE PLACEMENT FUND 1996		PRIVATE PLACEMENT FUND 1997		PRIVATE PLACEMENT FUND 1998	
	2020	2019	2020	2019	2020	2019
Outstanding, beginning of period	0.035	0.015	0.760	0.761	0.136	0.133
Issued for cash	0.071	0.020	0.034	0.038	0.006	0.005
Issued on reinvestment of distributions	—	—	0.118	—	0.014	—
Consolidation of units	—	—	(0.118)	—	(0.014)	—
Redeemed	—	—	(0.178)	(0.039)	(0.028)	(0.002)
Outstanding, end of period	0.106	0.035	0.616	0.760	0.114	0.136

	PRIVATE PLACEMENT FUND 1999		PRIVATE PLACEMENT FUND 1999A		2000 PRIVATE PLACEMENT FUND	
	2020	2019	2020	2019	2020	2019
Outstanding, beginning of period	3.654	4.171	0.866	0.808	1.399	1.764
Issued for cash	0.245	0.151	0.071	0.058	30.593	0.054
Issued on reinvestment of distributions	0.038	—	—	—	1.795	0.314
Consolidation of units	(0.038)	—	—	—	(1.795)	(0.314)
Redeemed	(1.901)	(0.668)	—	—	(1.149)	(0.419)
Outstanding, end of period	1.998	3.654	0.937	0.866	30.843	1.399

	2001 PRIVATE PLACEMENT FUND		2002 PRIVATE PLACEMENT FUND		2003 PRIVATE PLACEMENT FUND	
	2020	2019	2020	2019	2020	2019
Outstanding, beginning of period	0.173	0.152	2.758	3.600	3.105	16.473
Issued for cash	0.026	0.021	0.031	0.036	0.086	0.077
Issued on reinvestment of distributions	—	—	0.503	0.529	0.787	15.819
Consolidation of units	—	—	(0.503)	(0.529)	(0.787)	(15.819)
Redeemed	—	—	(0.791)	(0.878)	(0.527)	(13.445)
Outstanding, end of period	0.199	0.173	1.998	2.758	2.664	3.105

	2004 PRIVATE PLACEMENT FUND		2005 PRIVATE PLACEMENT FUND		2006 PRIVATE PLACEMENT FUND	
	2020	2019	2020	2019	2020	2019
Outstanding, beginning of period	2.246	3.542	21.944	30.407	32.488	46.318
Issued for cash	0.201	0.177	0.281	0.278	0.067	0.104
Issued on reinvestment of distributions	0.008	0.306	4.892	6.441	4.650	8.512
Consolidation of units	(0.008)	(0.306)	(4.892)	(6.441)	(4.650)	(8.512)
Redeemed	(0.236)	(1.473)	(7.356)	(8.741)	(8.021)	(13.934)
Outstanding, end of period	2.211	2.246	14.869	21.944	24.534	32.488

	2007 PRIVATE PLACEMENT FUND		2008 PRIVATE PLACEMENT FUND		2009 PRIVATE PLACEMENT FUND	
	2020	2019	2020	2019	2020	2019
Outstanding, beginning of period	64.867	107.162	59.857	99.323	212.231	291.122
Issued for cash	0.190	0.312	0.534	0.283	0.230	0.317
Issued on reinvestment of distributions	12.581	27.620	6.642	30.539	37.121	54.001
Consolidation of units	(12.581)	(27.620)	(6.642)	(30.539)	(37.121)	(54.001)
Redeemed	(21.290)	(42.607)	(11.598)	(39.749)	(97.484)	(79.208)
Outstanding, end of period	43.767	64.867	48.793	59.857	114.977	212.231

	2010 PRIVATE PLACEMENT FUND		2011 PRIVATE PLACEMENT FUND		2012 PRIVATE PLACEMENT FUND	
	2020	2019	2020	2019	2020	2019
Outstanding, beginning of period	178.973	234.579	236.242	276.406	1,090.235	1,659.821
Issued for cash	0.281	0.510	6.706	3.824	7.033	18.808
Issued on reinvestment of distributions	15.239	28.446	4.814	20.839	166.691	211.827
Consolidation of units	(15.239)	(28.446)	(4.814)	(20.839)	(166.691)	(211.827)
Redeemed	(32.985)	(56.116)	(10.565)	(43.988)	(335.177)	(588.394)
Outstanding, end of period	146.269	178.973	232.383	236.242	762.091	1,090.235

	2013 PRIVATE PLACEMENT FUND		2014 PRIVATE PLACEMENT FUND		2015 PRIVATE PLACEMENT FUND	
	2020	2019	2020	2019	2020	2019
Outstanding, beginning of period	231.902	277.245	10.797	20.878	822.470	959.420
Issued for cash	4.835	12.220	0.340	1.826	38.622	93.528
Issued on reinvestment of distributions	37.218	23.418	0.242	2.697	87.120	63.640
Consolidation of units	(37.218)	(23.418)	(0.242)	(2.697)	(87.120)	(63.640)
Redeemed	(82.936)	(57.563)	(0.740)	(11.907)	(194.360)	(230.478)
Outstanding, end of period	153.801	231.902	10.397	10.797	666.732	822.470

	2016 PRIVATE PLACEMENT FUND		2017 PRIVATE EQUITY FUND		2018 PRIVATE EQUITY FUND	
	2020	2019	2020	2019	2020	2019
Outstanding, beginning of period	6,163.793	4,635.416	14,469.885	9,963.829	4,240.379	2,970.748
Issued for cash	686.794	1,713.434	3,234.824	4,544.329	1,955.285	1,346.131
Issued on reinvestment of distributions	85.924	28.552	114.577	—	4.974	—
Consolidation of units	(85.924)	(28.552)	(114.577)	—	(4.974)	—
Redeemed	(526.752)	(185.057)	(801.908)	(38.273)	(85.551)	(76.500)
Outstanding, end of period	6,323.835	6,163.793	16,902.801	14,469.885	6,110.113	4,240.379

	2019 PRIVATE EQUITY FUND		2020 PRIVATE EQUITY FUND	
	2020	2019	2020	2019
Outstanding, beginning of period	328,067,655.426	—	—	—
Issued for cash	183,529,503.705	329,543,534.142	220.044	—
Issued on reinvestment of distributions	2,382,333.333	—	0.217	—
Consolidation of units	(2,382,333.333)	—	(0.217)	—
Redeemed	(34,338,087.901)	(1,475,878.716)	(13.314)	—
Outstanding, end of period	477,259,071.230	328,067,655.426	206.730	—

6. UNFUNDED COMMITTED CAPITAL

Unfunded capital commitments represent total commitments minus net contributions outstanding as of the reporting date. Net contributions equals contributions less any callable capital distributions. Callable capital are distributions or previously contributed capital that has been returned, that may be recalled at some future date. Thus, due to changes in callable capital, unfunded commitments may change at different reporting dates.

Furthermore, commitments to unlisted private equity investee funds and direct private equity investments are typically made in foreign denominated currencies, but reported in Canadian dollars. Unfunded commitments are translated at the spot rate and net contributions are translated at historical exchange rates. Therefore, due to foreign exchange movements, unfunded commitments will vary on the reporting date.

The amounts in the table represent the contractual undiscounted cash commitments that can be called on demand.

Pooled Investment Portfolios	December 31, 2020	December 31, 2019
Private Placement Fund 1996	\$ 420	\$ 428
Private Placement Fund 1997	14,594	14,855
Private Placement Fund 1999	2,323	2,304
Private Placement Fund 1999A	127	130
2000 Private Placement Fund	4,633	4,649
2001 Private Placement Fund	414	422
2002 Private Placement Fund	6,576	6,591
2003 Private Placement Fund	1,139	1,139
2004 Private Placement Fund	9,856	9,893
2005 Private Placement Fund	19,355	20,727
2006 Private Placement Fund	8,363	8,374
2007 Private Placement Fund	41,248	42,420
2008 Private Placement Fund	57,816	59,931
2009 Private Placement Fund	24,552	25,249
2010 Private Placement Fund	35,754	36,219
2011 Private Placement Fund	41,691	50,970
2012 Private Placement Fund	75,680	76,373
2013 Private Placement Fund	98,430	117,246
2014 Private Placement Fund	57,269	80,273
2015 Private Placement Fund	208,715	268,086
2016 Private Placement Fund	849,664	1,169,005
2017 Private Equity Fund	1,047,641	1,416,922
2018 Private Equity Fund	1,653,829	2,333,304
2019 Private Equity Fund	2,803,187	3,034,944
2020 Private Equity Fund	1,788,000	—

7. FINANCIAL RISK MANAGEMENT

(a) Risk management framework

The Private Equity Funds invest in privately negotiated transactions involving private and, on occasion, public companies. Investments consist primarily of debt, equity or hybrid securities of investee companies. BCI typically invests in private placements through limited partnerships managed by external fund managers. On occasion, BCI invests directly in companies alongside investments made by its external managers (known as co-investments) or independently. The partnerships invest in domestic and international companies at various stages of development, and are related to early-stage or late-stage venture capital, buy-outs, strategic opportunities, or senior or subordinated debt financing.

The investment objectives of the Private Equity Funds are as follows:

	Benchmark	Performance Objectives
Private equity fund investments	Morgan Stanley Capital International (MSCI) All County World Net Index plus 200 basis points ("bps")	To exceed the benchmark return by 113 bps per annum, net of all investment expenses incurred.
Direct/Co-investments	Cost of capital of at least 8.5%	To exceed the benchmark return by 115 bps per annum, net of all investment expenses incurred.
Mezzanine	Cost of capital of at least 6.8%	To exceed the benchmark return by 77 bps per annum, net of all investment expenses incurred.
Strategic Opportunities	Cost of capital of at least 7.7%	To exceed the benchmark return by 96 bps per annum, net of all investment expenses incurred.

The Private Equity Program has the following long-term diversification targets based on geographic region and investment purpose (venture capital, growth expansion, buyouts, strategic opportunities and other).

Geographic Targets	Range	Investment Purpose Targets	Range
Canada	0% to 20%	Venture Capital/Growth Expansion	0% to 10%
United States	40% to 70%	Buyouts	55% to 90%
Europe	10% to 35%	Strategic Opportunities	0% to 15%
Asia	5% to 30%	Mezzanine	0% to 15%
Emerging Markets	0% to 15%	Other	0% to 15%

The geographic ranges relate to the investment focus rather than the locations of the fund managers. The composition of the investments within individual Private Placement Vintage Funds may deviate significantly from these targets, so unitholders may need to invest in successive vintage years to achieve the above long-term diversification targets.

The Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios;
- publicly traded common stock or fixed income securities;
- derivative instruments, for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, with Chief Investment Officer (CIO) approval;
- units of BCI's Canadian Money Market Fund ST1, Canadian Money Market Fund ST2 and U.S. Dollar Money Market Fund ST3 money market funds; and
- units in BCI's Floating Rate Funds.

The following restriction applies to the Funds' investing activities:

- Direct investments in one particular company may not exceed 30% of the Private Placement Program's allocation to direct investments (calculated based on commitment values);
- The Funds may not sell short, borrow securities, or purchase securities using a margin account; and
- 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.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds, resulting in a financial loss to the Funds. It arises principally from debt securities held and cash and other receivables due to the Funds. The carrying value of these financial instruments as recorded in the Statements of Financial Position reflects the Funds' maximum exposure to credit risk.

To avoid undue credit risk, the Funds have established specific investment criteria, such as minimum credit ratings for investees and counterparties. Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving derivative contracts and securities lending. In order to minimize counterparty risk, counterparties are required to provide adequate collateral and meet minimum credit rating requirements. BCI management frequently monitors the credit rating of its counterparties as determined by recognized credit rating agencies.

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

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

(c) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. BCI's approach to managing liquidity risk is to ensure, as far as possible, that each Fund has sufficient liquidity to meet its liabilities when due. Each Fund is exposed to the liquidity risk associated with the requirement to redeem units. Units of a Fund may only be acquired by eligible clients or client groups in accordance with the respective Fund's purchasing limits that may be established by the 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 helps 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.

(i) Interest rate risk

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

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

(ii) Currency risk

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

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

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

(iii) Other price risk

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

All financial instruments are subject to other price risk and a potential loss of capital. The maximum risk is determined by the market value of the financial instruments. The Funds may not sell short, borrow securities, or purchase securities on margin, which limits the potential loss of capital. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk.

Other market price risk arises from the Funds' investments in direct private equity, in direct private debt, and in unlisted private equity investee funds, whose valuation is based on the valuation of the underlying companies of those investee funds. The Funds invests in such financial assets in order to take advantage of their long-term growth opportunity. All investments present a risk of loss of capital. BCI management moderates this risk through careful selection of the investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid.

The Funds makes commitments to a diversified portfolio of private equity funds managed by managers with a strong track record. The Funds diversify their portfolio of investee funds across managers, underlying industries, countries and investment stages.

BCI management follows a rigorous investment due diligence process prior to making an investment decision. BCI management considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the underlying manager of the investee funds through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an investment agreement, gathered information is confirmed through reference checks or through BCI's standing data and experience.

As a result of the COVID-19 pandemic, there continues to be significant volatility and uncertainty in securities markets. The duration and impact of the COVID-19 pandemic remains uncertain at this time, and accordingly the pandemic may continue to affect the Funds' investment portfolio.

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

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 exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, money market prices, and foreign currency exchange rates in estimating valuations of foreign currency contracts.

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

For more complex instruments, such as private equity and debt, the Funds use proprietary valuation models, which are usually developed from recognized valuation methods. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates, or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Funds believe that a third party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Funds and the counterparties where appropriate.

(c) Valuation framework

The Funds have an established framework with respect to the measurement of fair values. Where possible, for direct private equity and debt investments held by the Funds, external, independent valuation specialists are engaged annually to assist in the determination of fair value. In those circumstances where the Funds are reliant on a third party manager for the determination of fair value, BCI reviews the appropriateness of such valuations using audited financial statements of the underlying investments, and other information from the underlying third party manager or other sources.

In addition, BCI applies the following specific controls in relation to the determination of fair values:

- verification of observable pricing inputs;
- analysis and investigation of significant valuation movements; and
- review of unobservable inputs and valuation adjustments.

(d) Financial instruments not measured at fair value

The carrying value of cash, interest receivable, other receivables, other accounts payable, and BCI cost recoveries 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 are as follows as of December 31, 2020:

Pooled Investment Portfolios	Net Capital Losses	Non Capital Losses
Private Placement Fund 1996	\$ 170	\$ 280
Private Placement Fund 1997	185	168
Private Placement Fund 1998	94	328
Private Placement Fund 1999	35	174
Private Placement Fund 1999A	30	364
2000 Private Placement Fund	1,559	—
2001 Private Placement Fund	6	169
2002 Private Placement Fund	7	—
2003 Private Placement Fund	9	—
2004 Private Placement Fund	—	136
2005 Private Placement Fund	8	—
2006 Private Placement Fund	3,405	—
2007 Private Placement Fund	—	380
2008 Private Placement Fund	3,161	—
2009 Private Placement Fund	4	—
2011 Private Placement Fund	—	95
2013 Private Placement Fund	1,846	—
2014 Private Placement Fund	—	44
2016 Private Placement Fund	14	—
2017 Private Equity Fund	—	14,932
2018 Private Equity Fund	—	35,300
2019 Private Equity Fund	—	15,557
2020 Private Equity Fund	—	27,497

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income. The Funds' non-capital losses expire as follows:

Pooled Investment Portfolios	Year of Expiry				
	2037	2038	2039	2040	Total
Private Placement Fund 1996	\$ 67	\$ 59	\$ 82	\$ 72	\$ 280
Private Placement Fund 1997	—	—	55	113	168
Private Placement Fund 1998	—	170	65	93	328
Private Placement Fund 1999	—	—	37	137	174
Private Placement Fund 1999A	91	68	114	91	364
2001 Private Placement Fund	—	—	96	73	169
2004 Private Placement Fund	—	—	—	136	136
2007 Private Placement Fund	—	—	—	380	380
2011 Private Placement Fund	—	—	—	95	95
2014 Private Placement Fund	—	—	—	44	44
2017 Private Equity Fund	12,906	1,157	869	—	14,932
2018 Private Equity Fund	—	20,582	14,718	—	35,300
2019 Private Equity Fund	—	—	4,577	10,980	15,557
2020 Private Equity Fund	—	—	—	27,497	27,497

10. UNCERTAINTIES RELATED TO COVID-19

On March 11, 2020, the outbreak of the novel strain of the coronavirus (“COVID-19”) outbreak was declared a pandemic by the World Health Organization (“WHO”) prompting many national, regional, and local governments to implement preventative or protective measures. As a result, COVID-19 and the related restrictive measures have had a significant financial and market impact including significant volatility in equity prices, interest rates, bond yields, and foreign exchange rates. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. Government and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. BCI is closely monitoring its operations, liquidity and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. The duration and impact of COVID-19 is unknown at this time; as such, it is not reasonably possible to evaluate the impact of the pandemic on the Funds in future periods.

11. SUBSEQUENT EVENT

Subsequent to the Supreme Court of Canada decision of December 13, 2019, it was unclear whether the Funds would be entitled to a rebate of amounts paid in lieu of the goods and services tax (GST) under the Reciprocal Tax Agreement (RTA) between the B.C. and federal governments. As such, the RTA liability for the years ended December 31, 2017 to 2020 was recorded with no offsetting receivable in respect of a rebate.

However, on March 10, 2021, the BC Ministry of Finance and the Department of Finance Canada agreed to amend Schedule A of the RTA to more explicitly acknowledge the Funds’ entitlement to a rebate of the amounts paid under the RTA. Furthermore, Finance Canada has confirmed that prior year GST assessments will be vacated by the Canada Revenue Agency and no further GST assessments will be issued against BCI for past filing periods in respect of costs recovered from the Funds.

Therefore, the RTA accrued liability at December 31, 2020 was reversed on March 31, 2021. The RTA liability for each Fund is as follows as of December 31, 2020.

Pooled Investment Portfolios	RTA liability
Private Placement Fund 1996	\$ 64
Private Placement Fund 1997	163
Private Placement Fund 1998	115
Private Placement Fund 1999	160
Private Placement Fund 1999A	80
2000 Private Placement Fund	165
2001 Private Placement Fund	75
2002 Private Placement Fund	110
2003 Private Placement Fund	162
2004 Private Placement Fund	174
2005 Private Placement Fund	552
2006 Private Placement Fund	367
2007 Private Placement Fund	603
2008 Private Placement Fund	496
2009 Private Placement Fund	827
2010 Private Placement Fund	323
2011 Private Placement Fund	410
2012 Private Placement Fund	655
2013 Private Placement Fund	461
2014 Private Placement Fund	498
2015 Private Placement Fund	718
2016 Private Placement Fund	1,117
2017 Private Equity Fund	1,385
2018 Private Equity Fund	2,349
2019 Private Equity Fund	1,270
2020 Private Equity Fund	1,270



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