



**INFRASTRUCTURE &
RENEWABLE RESOURCES**

Pooled Fund Financial Statements

DECEMBER 2022

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

**INFRASTRUCTURE & RENEWAL RESOURCES -
POOLED INVESTMENT PORTFOLIOS**

GROUP OF FUNDS

Bolsena Fund
Bolsena (Australia) Fund
Bolsena (Public) Fund
Renewable Resources Investment Fund

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

British Columbia Investment Management Corporation (BCI) manages Pooled Investment Portfolios (the "Funds") on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. This report contains the financial statements for the following Funds for the year ended December 31, 2022:

Bolsena Fund

Bolsena (Australia) Fund

Renewable Resources Investment Fund

Bolsena (Public) Fund

The financial statements of the Funds 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 material 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 Audit Committee's mandate includes making recommendations on the appointment of the external auditor for the Funds, 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 Funds. 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 Fund 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 Audit Committee the results of their audit of the Funds' financial statements and related findings with respect to such audits. Each of the Fund 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 Fund 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
June 23, 2023



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INDEPENDENT AUDITOR'S REPORT

To the unitholders of the following Infrastructure & Renewable Resources Pooled Investment Portfolios managed by British Columbia Investment Management Corporation:

Bolsena Fund	Bolsena (Public) Fund
Bolsena (Australia) Fund	Renewable Resources Investment 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, 2022
- the statements of comprehensive income (loss) for the year then ended
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2022, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 23, 2023

BOLSENA FUND**Statement of Financial Position**

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

As at December 31, 2022, with comparative information for 2021

Assets	NOTES	2022	2021
Investments	4	\$ 12,555,726	\$ 11,805,981
Total assets		12,555,726	11,805,981
Liabilities			
BCI cost recoveries payable	4	3,118	921
Other accounts payable		1,372	1,366
		4,490	2,287
Net assets attributable to holders of redeemable units		\$ 12,551,236	\$ 11,803,694
Number of redeemable units outstanding	5	11,222.766	10,955.010
Net assets attributable to holders of redeemable units per unit		\$ 1,118	\$ 1,077
<i>Unfunded committed capital</i>	6		

[S] Gordon J. Fyfe

 Gordon J. Fyfe
 Chief Executive Officer
 Chief Investment Officer

BOLSENA FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

Revenue	NOTES	2022	2021
Dividend income		\$ 1,470,046	\$ 1,084,282
Other income	10	—	9,758
Foreign exchange loss		(35)	(19)
Change in fair value of investments:			
Net realized gain		287	190,998
Net change in unrealized appreciation		287,132	218,647
Total revenue		1,757,430	1,503,666
Expenses			
BCI cost recoveries	4	32,478	28,029
Administrative fees		415	919
Pursuit costs		11,511	3,751
Total operating expenses		44,404	32,699
Increase in net assets attributable to holders of redeemable units before distributions		1,713,026	1,470,967
Distributions to holders of redeemable units		(1,425,895)	(1,699,766)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 287,131	\$ (228,799)

BOLSENA FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	NOTES	2022	2021
Balance, beginning of year		\$ 11,803,694	\$ 5,945,131
Increase (decrease) in net assets attributable to holders of redeemable units		287,131	(228,799)
Return of capital distributions to holders of redeemable units		(46,067)	—
Redeemable unit transactions:			
Proceeds from units issued		609,832	246,613
Units issued for payments-in-kind	4	—	5,231,654
Reinvestment of distributions		—	609,095
Amounts paid for units redeemed		(103,354)	—
Net increase from redeemable unit transactions		506,478	6,087,362
Balance, end of year		\$ 12,551,236	\$ 11,803,694

BOLSENA FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

Operating activities	NOTES	2022	2021
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 287,131	\$ (228,799)
Adjustments for:			
Foreign exchange loss		35	19
Net realized gain from investments		(287)	(190,998)
Net change in unrealized appreciation of investments		(287,132)	(218,647)
Non cash distributions		—	609,095
Cash distributions		1,425,895	1,090,671
BCI cost recoveries payable		2,197	(6,189)
Other accounts payable		6	1,311
Net purchase of investments	4	(462,326)	(212,386)
		965,519	844,077
Financing activities			
Proceeds from issuance of redeemable units		609,832	246,613
Distributions paid to holders of redeemable units		(1,471,962)	(1,090,671)
Payments on redemption of redeemable units		(103,354)	—
		(965,484)	(844,058)
Net increase in cash		35	19
Effect of exchange rate changes on cash		(35)	(19)
Cash, beginning and end of year		\$ —	\$ —

BOLSENA FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2022, with comparative information for 2021

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 12,555,708	\$ 10,954,187	\$ 11,805,963	\$ 10,491,575
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Fund ST3	8	8	8	7
	18	18	18	17
Total Investments	\$ 12,555,726	\$ 10,954,205	\$ 11,805,981	\$ 10,491,592

¹ The private equity investments are held through private corporations and limited partnerships.

BOLSENA 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 Infrastructure & Renewable Resources Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Bolseña Fund.

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

	2022		2021	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ 53,894	0.4 %	\$ 2,491	0.0 %
Net investment-related receivables	2,580	0.0	8,226	0.1
Direct private debt investments	2,225,354	17.7	1,779,297	15.1
Unlisted private equity investee funds	2,829,050	22.5	2,091,919	17.7
Direct private equity investments	8,390,027	66.9	8,076,139	68.4
BCI money market funds	1,433	0.0	1,348	0.0
Public equity investments	—	0.0	25,664	0.2
Debt issued	(946,630)	(7.5)	(179,121)	(1.5)
Total	\$ 12,555,708	100.0 %	\$ 11,805,963	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 CIO 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.

Debt issued is linked to CDOR, and therefore the Fund is not exposed to significant fair value interest rate risk. As at December 31, 2022 and 2021, the Fund had no other significant assets or liabilities which change in value as a result of changes in interest rates.

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Currency Risk

At December 31, 2022, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY	2022		2021	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ —	0.0 %	\$ 25,664	0.2 %
British Pound Sterling	153,302	1.2	602,821	5.1
Czech Koruna	601,253	4.8	582,106	4.9
Euro	2,096,168	16.7	1,208,583	10.2
Indian Rupee	115,522	0.9	123,662	1.0
United Arab Emirates Dirham	132,675	1.1	—	0.0
United States Dollar	9,513,520	75.8	8,538,806	72.3
Net foreign currency exposure	\$ 12,612,440	100.5 %	\$ 11,081,642	93.7 %

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

As at December 31, 2022, 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 \$126,124 (2021 - \$110,816), representing 1.0% of the Fund's net assets (2021 - 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	2022	2021
Euro	\$ 384,109	\$ 22,441
United States Dollar	2,027,049	1,177,560
Net foreign currency exposure through unfunded capital commitments	\$ 2,411,158	\$ 1,200,001

As at December 31, 2022, 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 \$24,112 (2021 - \$12,000). 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 and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, and geographic regions of the underlying investees.

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

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INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Transportation Infrastructure	\$ 955,169	7.1 %	\$ 746,943	6.2 %
Multi-Utilities	130,488	1.0	226,211	1.9
Electric Utilities	4,362,893	32.5	4,160,737	34.8
Food Products	914,010	6.8	798,186	6.7
Gas Utilities	2,197,604	16.3	1,665,591	13.9
Independent Power and Renewable Electricity Producers	1,299,377	9.7	870,898	7.3
Road & Rail	89,365	0.7	82,045	0.7
Water Utilities	153,302	1.1	602,821	5.0
Paper & Forest Products	—	0.0	193,967	1.6
Diversified Telecommunication Services	512,168	3.8	506,666	4.2
Oil, Gas & Consumable Fuels	1,005	0.0	1,371	0.0
	10,615,381	79.0	9,855,436	82.3
Public Equity Investments				
Industrials	—	0.0	25,664	0.2
	—	0.0	25,664	0.2
Total Unlisted Private Equity Investee Funds in diversified industries	2,829,050	21.0	2,091,919	17.5
Total	\$ 13,444,431	100.0 %	\$ 11,973,019	100.0 %

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

GEOGRAPHIC REGION	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Brazil	\$ 498,229	3.7 %	\$ 408,183	3.4 %
Canada	954,153	7.1	1,759,002	14.7
Chile	1,210,405	9.0	1,076,632	9.0
Colombia	858,449	6.4	870,898	7.3
Czech Republic	599,685	4.5	580,947	4.9
France	440,928	3.3	—	0.0
Germany	1,191,075	8.9	772,215	6.4
India	512,168	3.8	506,666	4.2
Netherlands	914,010	6.8	—	0.0
United Arab Emirates	130,488	1.0	—	0.0
United Kingdom	153,302	1.1	602,821	5.0
United States	3,152,489	23.4	3,084,105	25.8
Uruguay	—	0.0	193,967	1.6
	10,615,381	79.0	9,855,436	82.3
Public Equity Investments				
Australia	—	0.0	25,664	0.2
	—	0.0	25,664	0.2
Total Unlisted Private Equity Investee Funds diversified globally	2,829,050	21.0	2,091,919	17.5
Total	\$ 13,444,431	100.0 %	\$ 11,973,019	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

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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, 2022, 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 \$1,255,573 (2021 - \$1,180,598), representing 10.0% of the Fund's net assets attributable to holders of redeemable units (2021 -10.0%).

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

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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.

	2022				2021			
	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	\$ —	\$ 53,894	\$ —	\$ 53,894	\$ —	\$ 2,491	\$ —	\$ 2,491
Net investment-related receivables	—	2,580	—	2,580	—	8,226	—	8,226
Public equity investments	—	—	—	—	25,664	—	—	25,664
Direct private debt investments	—	—	2,225,354	2,225,354	—	—	1,779,297	1,779,297
Unlisted private equity investee funds	—	—	2,829,050	2,829,050	—	—	2,091,919	2,091,919
Direct private equity investments	—	—	8,390,027	8,390,027	—	—	8,076,139	8,076,139
BCI money market funds	1,451	—	—	1,451	1,366	—	—	1,366
Debt Issued	—	(946,630)	—	(946,630)	—	(179,121)	—	(179,121)
Total	\$ 1,451	\$ (890,156)	\$ 13,444,431	\$ 12,555,726	\$ 27,030	\$ (168,404)	\$ 11,947,355	\$ 11,805,981

During 2022 and 2021, 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.

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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.

2022				
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 8,076,139	\$ 1,779,297	\$ 2,091,919	\$ 11,947,355
Total gains recognized in profit or loss	330,098	124,846	216,269	671,213
Purchases	170,519	392,278	811,056	1,373,853
Sales	(186,729)	(71,067)	(290,194)	(547,990)
Closing balance, end of year	\$ 8,390,027	\$ 2,225,354	\$ 2,829,050	\$ 13,444,431
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 514,223	\$ 124,712	\$ 199,247	\$ 838,182
2021				
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 4,289,269	\$ 608,951	\$ 1,320,737	\$ 6,218,957
Total gains (losses) recognized in profit or loss	651,801	6,714	(149,515)	509,000
Purchases	6,319,783	2,032,295	1,988,903	10,340,981
Sales	(3,184,714)	(868,663)	(1,068,206)	(5,121,583)
Closing balance, end of year	\$ 8,076,139	\$ 1,779,297	\$ 2,091,919	\$ 11,947,355
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 282,813	\$ 14,048	\$ 73,149	\$ 370,010

During 2022 and 2021, there were no significant transfers into or out of Level 3.

BOLSENA 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:

2022						
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,196	Net Asset Value	Net Asset Value	\$ 1,196	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 1,093,796	Transaction Price	N/A	N/A	N/A	N/A
Direct Private Equity Investments	\$ 7,295,035	Discounted Cash Flows	Discount rate	7.3% - 14.8%	10.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 1,224,598	Net Asset Value	Net Asset Value	\$ 1,224,598	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,604,452	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 1,604,452	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	\$ 668,695	Transaction Price	N/A	N/A	N/A	N/A
Direct Private Debt Investments	\$ 1,556,659	Discounted Cash Flows	Discount rate	8.5% - 14.8%	12.0%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

2021						
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,612	Net Asset Value	Net Asset Value	\$ 1,612	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 6,236,889	Discounted Cash Flows	Discount rate	6.7% - 15.9%	9.6%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 931,280	Net Asset Value	Net Asset Value	\$ 931,280	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,160,639	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 1,160,638	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	\$ 1,438,871	Discounted Cash Flows	Discount rate	6.7% - 15.9%	11.8%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

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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 the 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.

Transaction Price:

When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. Consequently, no sensitivity analysis has been performed.

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 valuations of certain direct private equity and direct private debt investments were calculated by recalibrating the model values using unobservable inputs based on the upper and lower threshold of the respective investment's range of possible estimates; and
- the fair value of remaining underlying investments was adjusted by 10%.

	2022	2021
Favourable	\$ 934,345	\$ 803,395
Unfavourable	(909,504)	(758,859)

BOLSENA 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	2022			2021		
	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	\$ 5,258,947	\$ 1,451	2	\$ 5,303,907	\$ 1,366
Unlisted private equity investee funds administered by third party managers	24	130,476,697	2,829,050	21	78,198,018	2,091,919

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2022 and 2021, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BOLSENA 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:

2022

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Arteris	Highways & Railtracks	Common quotas	Associate	Brazil	Brazil	5.5 %	5.5 %
Cleco Corporation	Electric Utilities	Limited partnership interest	Associate	U.S.	U.S.	31.4 %	31.4 %
Emicool	Utilities	Class A and Class B common shares, and shareholder loan	Associate	United Arab Emirates	United Arab Emirates	34.9 %	34.9 %
ETC Holdings Ltd.	Electric Utilities	Common shares	Associate	Chile	Chile	22.2 %	22.2 %
GCT Global Container Terminals Inc	Transportation	Ordinary shares, Class A and Class B shares, and revolving debt	Associate	U.S. and Canada	Canada	21.3 %	21.3 %
iGH (Czech Gas Networks)	Gas Utilities	Shares and unsecured subordinated loan notes	Associate	Czech Republic	Czech Republic	22.4 %	22.4 %
InTransit BC Limited Partnership	Railroads	Limited partnership interest	Associate	Canada	Canada	28.4 %	28.4 %
Isagen SA	Independent Power Producer & Energy Traders	Limited partnership units and promissory note	Associate	Colombia	Colombia	15.0 %	15.0 %
Nova Transportadora do Sudeste	Gas Utilities	Ordinary shares	Associate	Brazil	Brazil	7.2 %	7.2 %
Open Grid Europe GmbH.	Gas Utilities	Common shares	Associate	Germany	Germany	27.4 %	27.4 %
Puget Sound Energy	Electric Utilities	Common shares	Associate	U.S.	U.S.	17.8 %	17.8 %
Reden Solar	Renewable Electricity	Common shares and shareholder loan	Associate	France	France	21.3 %	21.3 %
Summit Digital	Integrated Telecommunication Services	Common shares	Associate	India	India	10.7 %	10.7 %
Thames Water	Water Utilities	Ordinary shares	Associate	UK	UK	7.4 %	7.4 %
Viterra Limited	Agriculture Products	Ordinary shares	Associate	Global	Netherlands	8.5 %	8.5 %

BOLSENA FUND

2021

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Arteris	Highways & Railtracks	Common quotas	Associate	Brazil	Brazil	5.5 %	5.5 %
Cleco Corporation	Electric Utilities	Limited partnership interest	Associate	U.S.	U.S.	31.8 %	31.8 %
ETC Holdings Ltd.	Electric Utilities	Common shares	Associate	Chile	Chile	22.4 %	22.4 %
GCT Global Container Terminals Inc	Transportation	Ordinary shares, Class A and Class B shares, and revolving debt	Associate	U.S. and Canada	Canada	21.5 %	21.5 %
iGH (Czech Gas Networks)	Gas Utilities	Shares and unsecured subordinated loan notes	Associate	Czech Republic	Czech Republic	22.6 %	22.6 %
InTransit BC Limited Partnership	Railroads	Limited partnership interest	Associate	Canada	Canada	28.7 %	28.7 %
Isagen SA	Independent Power Producer & Energy Traders	Limited partnership units and promissory note	Associate	Colombia	Colombia	15.1 %	15.1 %
Nova Transportadora do Sudeste	Gas Utilities	Ordinary shares	Associate	Brazil	Brazil	7.3 %	7.3 %
Open Grid Europe GmbH.	Gas Utilities	Common shares	Associate	Germany	Germany	27.7 %	27.7 %
Ormond Investments S.L.	Forest Products	Limited partnership interest	Associate	Uruguay	Uruguay	28.7 %	28.7 %
Puget Sound Energy	Electric Utilities	Common shares	Associate	U.S.	U.S.	18.0 %	18.0 %
Summit Digital	Integrated Telecommunication Services	Common shares	Associate	India	India	10.8 %	10.8 %
Thames Water Viterra Limited	Water Utilities	Ordinary shares	Associate	UK	UK	7.5 %	7.5 %
	Agriculture Products	Ordinary shares	Associate	Global	Netherlands	8.6 %	8.6 %

During 2022 and 2021, 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.

BOLSENA (AUSTRALIA) FUND**Statement of Financial Position**

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

As at December 31, 2022, with comparative information for 2021

Assets	NOTES	2022	2021
Cash		\$ 167	\$ —
Investments	4	1,346,837	1,369,963
Total assets		1,347,004	1,369,963
Liabilities			
BCI cost recoveries payable	4	321	121
Other accounts payable		51	591
		372	712
Net assets attributable to holders of redeemable units		\$ 1,346,632	\$ 1,369,251
Number of redeemable units outstanding	5	1,471,050	1,469,820
Net assets attributable to holders of redeemable units per unit		\$ 915	\$ 932
<i>Unfunded committed capital</i>	6		

[S] Gordon J. Fyfe

 Gordon J. Fyfe
 Chief Executive Officer
 Chief Investment Officer

BOLSENA (AUSTRALIA) FUND**Statement of Comprehensive Loss**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

Revenue	NOTES	2022	2021
Interest income	4	\$ 18,411	\$ 27,968
Dividend income		11,664	23,810
Other income	10	821	5,225
Foreign exchange loss		(128)	(21,946)
Change in fair value of investments:			
Net realized gain (loss)		(313)	182,234
Net change in unrealized appreciation		(27,549)	(86,496)
Total revenue		2,906	130,795
Expenses			
BCI cost recoveries	4	3,611	4,011
Administrative fees		529	555
Pursuit costs		35	2
Withholding taxes		882	4,743
Total operating expenses		5,057	9,311
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		(2,151)	121,484
Distributions to holders of redeemable units		(25,414)	(178,321)
Decrease in net assets attributable to holders of redeemable units		\$ (27,565)	\$ (56,837)

BOLSENA (AUSTRALIA) FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	NOTES	2022	2021
Balance, beginning of year		\$ 1,369,251	\$ 429,680
Decrease in net assets attributable to holders of redeemable units		(27,565)	(56,837)
Return of capital distributions to holders of redeemable units		—	(96,689)
Redeemable unit transactions:			
Proceeds from units issued		16,244	1,132,784
Reinvestment of distributions		3,271	—
Units issued for payments-in-kind	4	—	42,558
Amounts paid for units redeemed		(14,569)	(82,245)
Net increase from redeemable unit transactions		4,946	1,093,097
Balance, end of year		\$ 1,346,632	\$ 1,369,251

BOLSENA (AUSTRALIA) FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

Operating activities	NOTES	2022	2021
Decrease in net assets attributable to holders of redeemable units		\$ (27,565)	\$ (56,837)
Adjustments for:			
Foreign exchange loss		128	21,946
Interest income		(18,411)	(27,968)
Dividend income		(11,664)	(23,810)
Withholding taxes		882	4,743
Net realized (gain) loss from investments		313	(182,234)
Net change in unrealized appreciation of investments		27,549	86,496
Amortization of premiums and discounts		2	—
Non cash distributions		3,271	—
Cash distributions		22,143	178,321
BCI cost recoveries payable		200	(3,007)
Other accounts payable		(540)	568
Interest received		18,411	30,694
Dividends received		11,664	23,810
Withholding taxes paid		(882)	(4,743)
Net purchase of investments	4	(4,738)	(801,562)
		20,763	(753,583)
Financing activities			
Proceeds from issuance of redeemable units		16,244	1,132,784
Distributions paid to holders of redeemable units		(22,143)	(275,010)
Payments on redemption of redeemable units		(14,569)	(82,245)
		(20,468)	775,529
Net increase in cash		295	21,946
Effect of exchange rate changes on cash		(128)	(21,946)
Cash, beginning of year		—	—
Cash, end of year		\$ 167	\$ —

BOLSENA (AUSTRALIA) FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2022, with comparative information for 2021

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 819,850	\$ 789,927	\$ 855,176	\$ 787,816
Private Debt Investments ¹	209,504	228,583	202,424	221,755
Investment-Related Assets				
Prepaid investment	313,177	299,543	306,881	302,779
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST2	182	182	178	178
Fund ST3	4,124	4,070	5,304	5,354
	4,306	4,252	5,482	5,532
Total Investments	\$ 1,346,837	\$ 1,322,305	\$ 1,369,963	\$ 1,317,882

¹ The private equity and debt investments are held through a private corporation or limited partnership.

BOLSENA (AUSTRALIA) 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 Infrastructure & Renewable Resources Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Bolseña (Australia) Fund.

The Fund holds its private equity and private debt investments through a private corporation, limited partnerships and directly by the Fund. The Fund and its investments in a private corporation or a limited partnership hold the following net assets:

	2022		2021	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ 2,195	0.2 %	\$ —	0.0 %
Net investment-related receivables	150	0.0	3,001	0.3
Direct private debt investments	209,504	20.4	202,424	19.1
Direct private equity investments	816,023	79.3	848,796	80.3
Foreign currency contracts, net	8	0.0	—	0.0
BCI money market funds	1,474	0.1	3,379	0.3
Total	\$ 1,029,354	100.0 %	\$ 1,057,600	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 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 CIO 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, 2022 and 2021, 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, 2022, 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.

BOLSENA (AUSTRALIA) FUND

CURRENCY	2022		2021	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 1,339,027	99.3 %	\$ 1,361,356	99.4 %
United States Dollar	7,779	0.6	8,027	0.6
Net foreign currency exposure	\$ 1,346,806	99.9 %	\$ 1,369,383	100.0 %

As at December 31, 2022, 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 \$13,468 (2021 - \$13,694), representing 1.0% of the Fund's net assets (2021 - 1.0%). 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 and other securities of investees. Investee companies range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, and geographic regions of the underlying investees.

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

INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity, Direct Private Debt, and Prepaid Investment				
Transportation Infrastructure	\$ 824,631	61.6 %	\$ 869,927	64.1 %
Electric Utilities	514,073	38.4	488,174	35.9
Total	\$ 1,338,704	100.0 %	\$ 1,358,101	100.0 %

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

GEOGRAPHIC REGION	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity, Direct Private Debt, and Prepaid Investment				
Australia	\$ 1,338,704	100.0 %	\$ 1,358,101	100.0 %
Total	\$ 1,338,704	100.0 %	\$ 1,358,101	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, 2022, 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 \$134,684 (2021 - \$136,996), representing 10.0% of the Fund's net assets attributable to holders of redeemable units (2021 - 10.0%).

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

BOLSENA (AUSTRALIA) 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.

	2022				2021			
	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	\$ —	\$ 2,195	\$ —	\$ 2,195	\$ —	\$ —	\$ —	\$ —
Net investment-related receivables	—	150	—	150	—	3,001	—	3,001
Prepaid investment	—	—	313,177	313,177	—	—	306,881	306,881
Direct private debt investments	—	—	209,504	209,504	—	—	202,424	202,424
Direct private equity investments	—	—	816,023	816,023	—	—	848,796	848,796
Foreign currency contracts, net	—	8	—	8	—	—	—	—
BCI money market funds	5,780	—	—	5,780	8,861	—	—	8,861
Total	\$ 5,780	\$ 2,353	\$ 1,338,704	\$ 1,346,837	\$ 8,861	\$ 3,001	\$ 1,358,101	\$ 1,369,963

During 2022 and 2021, 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.

BOLSENA (AUSTRALIA) 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.

2022						
	Prepaid Investment	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 306,881	\$ 848,796	\$ 202,424	\$ —	\$ 1,358,101	
Total gains (losses) recognized in profit or loss	9,532	(34,674)	1,589	—	(23,553)	
Purchases	—	3,768	—	—	3,768	
Sales	(3,236)	(1,867)	5,491	—	388	
Closing balance, end of year	\$ 313,177	\$ 816,023	\$ 209,504	\$ —	\$ 1,338,704	
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 6,297	\$ (34,376)	\$ 3,081	\$ —	\$ (24,998)	

2021						
	Prepaid Investment	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ —	\$ 213,609	\$ 216,486	\$ —	\$ 430,095	
Total gains (losses) recognized in profit or loss	4,102	(194,548)	(23,748)	1,181	(213,013)	
Purchases	302,779	1,227,702	13,342	210,518	1,754,341	
Sales	—	(397,967)	(3,656)	(211,699)	(613,322)	
Closing balance, end of year	\$ 306,881	\$ 848,796	\$ 202,424	\$ —	\$ 1,358,101	
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 4,102	\$ 101,287	\$ (12,797)	\$ —	\$ 92,592	

During 2022 and 2021, there were no significant transfers into or out of Level 3.

BOLSENA (AUSTRALIA) 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:

2022						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 816,023	Discounted Cash Flows	Discount rate	8.8% - 12.4%	10.5%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Direct Private Debt Investments	\$ 209,504	Discounted Cash Flows	Discount rate	8.8% - 12.4%	8.8%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Prepaid Investment	\$ 313,177	Discounted Cash Flows	Discount rate	11.4% - 12.4%	11.5 %	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

2021						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 848,796	Discounted Cash Flows	Discount rate	7.8% - 17.0%	10.5%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Direct Private Debt Investments	\$ 202,424	Discounted Cash Flows	Discount rate	7.8% - 17.0%	7.9%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Prepaid Investment	\$ 306,881	Discounted Cash Flows	Discount rate	11.3% - 17.0%	11.7 %	The estimated fair value would increase (decrease) if the discount rate 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.

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.

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 valuations of certain direct private equity and direct private debt investments were calculated by recalibrating the model values using unobservable inputs based on the upper and lower threshold of the respective investment's range of possible estimates; and
- the fair value of remaining underlying investments was adjusted by 10%.

	2022	2021
Favourable	\$ 90,024	\$ 108,969
Unfavourable	(92,373)	(102,092)

BOLSENA (AUSTRALIA) 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	2022			2021		
	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	3	\$ 7,776,734	\$ 5,780	3	\$ 9,497,081	\$ 8,861

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2022 and 2021, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BOLSENA (AUSTRALIA) 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:

2022

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Endeavour Energy	Electric Utilities	Common shares, ordinary shares, and shareholder loan	Associate	Australia	Australia	11.2 %	11.2 %
LINX Cargo Care	Transportation	Common equity, shareholder loan	Associate	Australia	Australia	9.8 %	9.8 %
Pacific National Rail	Transportation	Shareholder loan	Associate	Australia	Australia	10.6 %	10.6 %
Patrick Terminals	Transportation	Shareholder loan	Associate	Australia	Australia	4.9 %	4.9 %

2021

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Endeavour Energy	Electric Utilities	Common shares, ordinary shares, and shareholder loan	Associate	Australia	Australia	11.2 %	11.2 %
LINX Cargo Care	Transportation	Common equity, shareholder loan	Associate	Australia	Australia	9.8 %	9.8 %
Pacific National Rail	Transportation	Shareholder loan	Associate	Australia	Australia	10.7 %	10.7 %
Patrick Terminals	Transportation	Shareholder loan	Associate	Australia	Australia	4.9 %	4.9 %

During 2022 and 2021, 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.

BOLSENA (PUBLIC) FUND**Statement of Financial Position**

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

As at December 31, 2022, with comparative information for 2021

Assets	NOTES	2022	2021
Cash		\$ 402	\$ 5,886
Investments	4	783,902	512,145
Total assets		784,304	518,031
Liabilities			
Payable for purchase of investments		354	957
BCI cost recoveries payable	4	169	46
Interest payable		—	128
Other accounts payable		162	100
Derivative liabilities:			
Forwards		—	49
Payable to BCI pooled investment portfolio	4	66,865	199,944
		67,550	201,224
Net assets attributable to holders of redeemable units		\$ 716,754	\$ 316,807
Number of redeemable units outstanding	5	766.273	255.156
Net assets attributable to holders of redeemable units per unit		\$ 935	\$ 1,242
<i>Unfunded committed capital</i>	6		

[S] Gordon J. Fyfe

 Gordon J. Fyfe
 Chief Executive Officer
 Chief Investment Officer

BOLSENA (PUBLIC) FUND**Statement of Comprehensive Income**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

Revenue	NOTES	2022	2021
Dividend income		\$ 6,242	\$ 773
Securities lending income		3	179
Other income	10	—	43
Foreign exchange gain (loss)		(1,314)	1,263
Change in fair value of investments and derivatives:			
Net realized gain		62,039	44,358
Net change in unrealized appreciation		13,430	2,021
Total revenue		80,400	48,637
Expenses			
BCI cost recoveries	4	1,307	973
Administrative fees		198	74
Interest expense		1,620	293
Commissions and stock exchange fees		50	61
Pursuit costs		205	528
Withholding taxes		1,408	271
Total operating expenses		4,788	2,200
Increase in net assets attributable to holders of redeemable units before distributions		75,612	46,437
Distributions to holders of redeemable units		(62,531)	(44,408)
Increase in net assets attributable to holders of redeemable units		\$ 13,081	\$ 2,029

BOLSENA (PUBLIC) FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Balance, beginning of year	\$ 316,807	\$ 330,568
Increase in net assets attributable to holders of redeemable units	13,081	2,029
Return of capital distributions to holders of redeemable units	(104,254)	(57,065)
Redeemable unit transactions:		
Proceeds from units issued	495,331	66,096
Amounts paid for units redeemed	(4,211)	(24,821)
Net increase from redeemable unit transactions	491,120	41,275
Balance, end of year	\$ 716,754	\$ 316,807

BOLSENA (PUBLIC) FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

Operating activities	NOTES	2022	2021
Increase in net assets attributable to holders of redeemable units		\$ 13,081	\$ 2,029
Adjustments for:			
Foreign exchange (gain) loss		1,314	(1,263)
Net realized gain from investments and derivatives		(62,039)	(44,358)
Net change in unrealized appreciation of investments and derivatives		(13,430)	(2,021)
Amortization of premiums and discounts		(3)	—
Cash distributions		62,531	44,408
BCI cost recoveries payable		123	(11)
Other accounts payable		62	98
Interest paid		(1,748)	(165)
Interest expense		1,620	293
Net purchase of investments		(196,937)	(134,133)
		(195,426)	(135,123)
Financing activities			
Proceeds from issuance of redeemable units		495,331	66,096
Proceeds from payable to BCI pooled investment portfolio	4	66,865	199,944
Repayment of payable to BCI pooled investment portfolio	4	(199,944)	—
Distributions paid to holders of redeemable units		(166,785)	(101,473)
Payments on redemption of redeemable units		(4,211)	(24,821)
		191,256	139,746
Net increase (decrease) in cash		(4,170)	4,623
Effect of exchange rate changes on cash		(1,314)	1,263
Cash, beginning of year		5,886	—
Cash, end of year		\$ 402	\$ 5,886

BOLSENA (PUBLIC) FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2022, with comparative information for 2021

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Public Equity Investments ¹	\$ 208,697	\$ 187,577	\$ 312,443	\$ 226,141
Private Equity Investments ¹	573,632	493,948	190,845	189,720
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	1,556	1,556	8,844	8,844
Fund ST3	17	13	13	13
	1,573	1,569	8,857	8,857
Total Investments	\$ 783,902	\$ 683,094	\$ 512,145	\$ 424,718

¹ The public equity and private equity investments are held through a private corporation or limited partnership.

BOLSENA (PUBLIC) FUND**Schedule of Derivative Assets and Liabilities**

(Expressed in thousands of dollars)

As at December 31, 2022, with comparative information for 2021

	2022			2021		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
OTC						
Forwards	\$ 354	\$ —	\$ —	\$ 2,224	\$ —	\$ (49)
Total	\$ 354	\$ —	\$ —	\$ 2,224	\$ —	\$ (49)

The terms of maturity based on notional value for the derivatives were as follows at December 31:

	2022	2021
Less than 1 year	\$ 354	\$ 2,224
Total	\$ 354	\$ 2,224

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

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

BOLSENA (PUBLIC) 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 Infrastructure & Renewable Resources Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Bolseña (Public) Fund.

The Fund holds its private equity investment in a limited partnership. The Fund and its investments in a limited partnership hold the following net assets:

	2022		2021	
	Total	% of Total	Total	% of Total
Direct private equity investments	\$ 573,608	100.0 %	\$ —	0.0
BCI money market funds	24	0.0	—	0.0
Total	\$ 573,632	100.0 %	\$ —	0.0 %

The Fund holds its public equity and private equity investment directly as of December 31, 2021.

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

DERIVATIVES BY CREDIT RATING	2022			2021		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ —	\$ —	\$ —	2,224	\$ —	(\$ 49)
A	354	—	—	—	—	—
Total Derivatives	\$ 354	\$ —	\$ —	2,224	\$ —	(\$ 49)

Liquidity Risk

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

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

	2022				Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	
Derivative assets	\$ —	\$ —	\$ —	\$ —	—
Derivative liabilities	—	—	—	—	—
	\$ —	\$ —	\$ —	\$ —	—

BOLSENA (PUBLIC) FUND

	2021				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ —	\$ —	\$ —	\$ —	—
Derivative liabilities	(49)	(49)	—	—	(49)
	\$ (49)	\$ (49)	\$ —	\$ —	(49)

Interest Rate Risk

Payable to BCI pooled investments portfolio is linked to CDOR, and therefore the fund is not exposed to significant fair value interest rate risk. As at December 31, 2022 and 2021, 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, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows.

CURRENCY	2022		2021	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Chilean Peso	\$ 124,526	17.4 %	\$ 40,158	12.7 %
Euro	84,574	11.8	279,439	88.2
United States Dollar	573,638	80.0	191,028	60.3
Net foreign currency exposure	\$ 782,738	109.2 %	\$ 510,625	161.2 %

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

As at December 31, 2022, 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 \$7,827, (2021 - \$5,106) representing 1.1% of the Fund's net assets (2021 - 1.6%). 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	2022	2021
Chilean Peso	\$ —	\$ 367,212
Euro	368,419	—
United States Dollar	7,936	70,608
Net foreign currency exposure through unfunded capital commitments	\$ 376,355	\$ 437,820

As at December 31, 2022, 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 \$3,764 (2021 - \$4,378). 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.

BOLSENA (PUBLIC) FUND

Other Price Risk

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

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

INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity and Public Equity Investments				
Transportation Infrastructure	\$ 84,574	10.8 %	\$ 273,949	54.4 %
Water Utilities	124,123	15.9	38,495	7.6
Paper & Forest Products	573,608	73.3	190,844	38.0
Total	\$ 782,305	100.0 %	\$ 503,288	100.0 %

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

GEOGRAPHIC REGION	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity and Public Equity Investments				
Chile	\$ 361,983	46.3 %	\$ 229,340	45.6 %
Germany	84,573	10.8	273,948	54.4 %
Uruguay	335,749	42.9	—	0.0 %
Total	\$ 782,305	100.0 %	\$ 503,288	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, 2022, 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 \$78,390 (2021 - \$51,215), representing 10.9% of the Fund's net assets attributable to holders of redeemable units (2021 - 16.2%).

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

BOLSENA (PUBLIC) 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.

	2022				2021			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservabl e Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservabl e Inputs)	Total
Public equity investments	\$ 208,697	\$ —	\$ —	\$ 208,697	312,443	—	—	312,443
Direct private equity investments	—	—	573,608	573,608	—	—	190,845	190,845
BCI money market funds	1,597	—	—	1,597	8,857	—	—	8,857
Total Investments	210,294	—	573,608	783,902	321,300	—	190,845	512,145
Payable to BCI pooled investment portfolio	—	(66,865)	—	(66,865)	—	(199,944)	—	(199,944)
Total	\$ 210,294	\$ (66,865)	\$ 573,608	\$ 717,037	\$ 321,300	\$ (199,944)	\$ 190,845	\$ 312,201

During 2022 and 2021, 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.

	2022		2021	
	Direct Private Equity Investments	Direct Private Equity Investments	Direct Private Equity Investments	Direct Private Equity Investments
Opening balance, beginning of year	\$ 190,845	\$ —	\$ —	\$ —
Total gains recognized in profit or loss	112,870	1,125	—	—
Purchases	269,893	189,720	—	—
Closing balance, end of year	\$ 573,608	\$ 190,845	\$ —	\$ —
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 112,870	\$ 1,125	\$ —	\$ —

During 2022, there were no significant transfers into or out of Level 3.

BOLSENA (PUBLIC) 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:

2022							
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input	
Direct Private Equity Investments	\$ 237,860	Net Asset Value	Net Asset Value	\$ 237,860	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Direct Private Equity Investments	\$ 335,748	Discounted Cash Flows	Discount rate	7.1%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).	

2021							
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input	
Direct Private Equity Investments	\$ 190,845	Transaction Price	N/A	N/A	N/A	N/A	

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.

Transaction Price:

When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. Consequently, no sensitivity analysis has been performed.

Net Asset Value:

Represents the 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.

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.

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 valuations of certain direct private equity investments were calculated by recalibrating the model values using unobservable inputs based on the upper and lower threshold of the respective investment's range of possible estimates; and
- the fair value of remaining underlying investments was adjusted by 10%.

BOLSENA (PUBLIC) FUND

		2022	2021
Favourable	\$	57,361	\$ 19,085
Unfavourable		(57,361)	(19,085)

BOLSENA (PUBLIC) 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	2022			2021		
	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	\$ 5,258,947	\$ 1,597	2	\$ 5,303,907	\$ 8,857

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2022 and 2021, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

BOLSENA (PUBLIC) 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:

2022

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Ormond Investments S.L.	Forest Products	Limited partnership interest	Associate	Uruguay	Uruguay	33.3 %	33.3 %
Vista Hermosa Inversiones Forestales	Forest Products	Common shares	Associate	Chile	Chile	40.0 %	40.0 %

2021

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Vista Hermosa Inversiones Forestales	Forest Products	Common shares	Associate	Chile	Chile	40.0 %	40.0 %

During 2022 and 2021, 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.

RENEWABLE RESOURCES INVESTMENT FUND**Statement of Financial Position**

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

As at December 31, 2022, with comparative information for 2021

Assets	NOTES	2022	2021
Investments		\$ 764	\$ 813
Total assets		764	813
Liabilities			
Other accounts payable		29	24
Net assets attributable to holders of redeemable units			
		\$ 735	\$ 789
Number of redeemable units outstanding	5	20,729	20,625
Net assets attributable to holders of redeemable units per unit			
		\$ 35	\$ 38
<i>Unfunded committed capital</i>	6		

[S] Gordon J. Fyfe

 Gordon J. Fyfe
 Chief Executive Officer
 Chief Investment Officer

RENEWABLE RESOURCES INVESTMENT FUND**Statement of Comprehensive Loss**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

Revenue	NOTES	2022	2021
Interest income		\$ 5	\$ 1
Dividend income		83	3,706
Other income	10	—	408
Change in fair value of investments:			
Net change in unrealized appreciation		(27)	(5,866)
Total revenue		61	(1,751)
Expenses			
BCI cost recoveries	4	2	25
Administrative fees		34	58
Total operating expenses		36	83
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		25	(1,834)
Distributions to holders of redeemable units		(53)	(611)
Decrease in net assets attributable to holders of redeemable units		\$ (28)	\$ (2,445)

RENEWABLE RESOURCES INVESTMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Balance, beginning of year	\$ 789	\$ 5,125
Decrease in net assets attributable to holders of redeemable units	(28)	(2,445)
Return of capital distributions to holders of redeemable units	(30)	(3,096)
Redeemable unit transactions:		
Proceeds from units issued	4	1,205
Net increase from redeemable unit transactions	4	1,205
Balance, end of year	\$ 735	\$ 789

RENEWABLE RESOURCES INVESTMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2022, with comparative information for 2021

Operating activities	2022	2021
Decrease in net assets attributable to holders of redeemable units	\$ (28)	\$ (2,445)
Adjustments for:		
Interest income	(5)	(1)
Net change in unrealized appreciation of investments	27	5,866
Amortization of premiums and discounts	(3)	—
Cash distributions	53	611
BCI cost recoveries payable	—	(408)
Other accounts payable	5	24
Interest received	5	1
Net sale (purchase) of investments	25	(1,146)
	79	2,502
Financing activities		
Proceeds from issuance of redeemable units	4	1,205
Distributions paid to holders of redeemable units	(83)	(3,707)
	(79)	(2,502)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

RENEWABLE RESOURCES INVESTMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2022, with comparative information for 2021

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 509	\$ 36,425	\$ 533	\$ 36,422
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST2	255	255	280	280
	255	255	280	280
Total Investments	\$ 764	\$ 36,680	\$ 813	\$ 36,702

¹ The private equity investments are held through private corporations.

RENEWABLE RESOURCES INVESTMENT 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 Infrastructure & Renewable Resources Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the Renewable Resources Investment Fund.

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

	2022		2021	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 472	92.7 %	\$ 499	93.6 %
BCI money market funds	37	7.3	34	6.4
Total	\$ 509	100.0 %	\$ 533	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 unlisted private equity 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 CIO 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 or have a short term to maturity. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

RENEWABLE RESOURCES INVESTMENT FUND

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$494 CAD which represents 67.2% of the net asset value of the Fund (2021 - \$519 CAD which represented 65.8% 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 set out above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, 2022, 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 (2021 - \$5), representing 0.7% of the Fund's net assets (2021 - 0.6%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2022, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$8 (2021 - \$8). As at December 31, 2022, 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 \$nil (2021 - \$nil). 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 net assets include real estate investments and other related receivables and payables. The real estate investments are primarily in timberlands and concentrated in Brazil.

The fair value of these investments fluctuates in response to specific property characteristics 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, 2022, 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 \$76 (2021 - \$81), representing 10.3% of the Fund's net assets attributable to holders of redeemable units (2021 - 10.3%).

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

RENEWABLE RESOURCES INVESTMENT 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.

	2022				2021			
	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	\$ —	\$ —	\$ 472	\$ 472	\$ —	\$ —	\$ 499	\$ 499
BCI money market funds	292	—	—	292	314	—	—	314
Total	\$ 292	\$ —	\$ 472	\$ 764	\$ 314	\$ —	\$ 499	\$ 813

During 2022 and 2021, 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.

	2022		2021	
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 499	\$ 5,170	\$ 499	\$ 5,170
Total losses recognized in profit or loss	(27)	(5,866)	(27)	(5,866)
Purchases	—	1,195	—	1,195
Closing balance, end of year	\$ 472	\$ 499	\$ 472	\$ 499
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (27)	\$ (5,866)	\$ (27)	\$ (5,866)

During 2022 and 2021, 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:

RENEWABLE RESOURCES INVESTMENT FUND**2022**

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 472	Net Asset Value	Net Asset Value	\$ 472	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2021

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 499	Net Asset Value	Net Asset Value	\$ 500	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.

RENEWABLE RESOURCES INVESTMENT FUND

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%.

	2022	2021
Favourable	\$ 47	\$ 50
Unfavourable	(47)	(50)

RENEWABLE RESOURCES INVESTMENT 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	2022			2021		
	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	\$ 5,865,858	\$ 292	2	\$ 7,900,133	\$ 314
Unlisted private equity investee funds administered by third party managers	1	3,122	472	1	\$ 16,807	\$ 499

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2022 and 2021, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

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 *Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (the "Regulations"), BCI may establish and operate Funds "... 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, Funds previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the Regulations, to be held in trust by BCI and invested by the Chief Investment Officer ("CIO") of BCI.

The pooled investment portfolios (the "Funds") were established on the following dates:

Pooled Investment Portfolios	Dates Established
Bolsena Fund	December 23, 2004
Bolsena (Australia) Fund	December 24, 2015
Bolsena (Public) Fund	March 17, 2020
Renewable Resources Investment Fund	May 19, 2005

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 June 23, 2023.

(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, derivative financial instruments, payable to BCI pooled investment portfolio, and redeemable units 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, income and expenses. In determining the fair value of some of its investments, BCI

reviews and assesses external managers' and/or external appraisers' 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. MATERIAL 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 may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

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

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

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

(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.

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

(iv) Classification of financial assets and liabilities

The following table summarizes the classification of the Funds' financial assets and liabilities:

FINANCIAL ASSET OR LIABILITY	CLASSIFICATION
Investments	FVTPL
Derivative financial instruments	FVTPL
Payable to BCI pooled investment portfolio	FVTPL
Redeemable units	FVTPL
Cash	Amortized cost
Interest payable	Amortized cost
Payable for purchase of investments	Amortized cost
Other accounts payable	Amortized cost
BCI cost recoveries payable	Amortized cost

(b) Redeemable Units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the Regulations, each Fund is required to distribute, to unitholders of the respective Fund's redeemable units, the taxable income

and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are authorized and no longer at the discretion of BCI.

(c) Issues 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

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.

(f) Fees and commission expense

Commissions, stock exchange fees and other identifiable transaction costs that are directly attributable to the acquisition or disposal of an investment are expensed as incurred. Pursuit costs are charged to net income of the respective Funds in the period incurred.

(g) Securities lending

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

(h) Income taxes

The Funds are immune from income taxation in Canada under the Constitution Act. 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 pursuant to the Regulations. Income taxes associated with any of the Funds' underlying investments are accounted for in determining the fair value of the respective investments.

(i) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations as listed below are not yet effective for the year ended December 31, 2022, 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, 2023:

- IFRS 17 - Insurance contracts
- Amendments to IFRS 17
- Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of accounting estimates (Amendments to IAS 8)
- Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12 Income Taxes
- Initial Application of IFRS 17 and IFRS 9 - Comparative information (Amendments to IFRS 17)

Effective on January 1, 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Non-current liabilities with covenants (Amendments to IAS 1)

4. RELATED PARTY TRANSACTIONS

The Funds' related parties include BCI, QuadReal Property Group Limited Partnership and affiliates ("QuadReal"), the Province of British Columbia and related entities, investments where a Fund has a controlling interest or significant influence, entities with common ownership, and other related entities for which a Fund provides investment management services. QuadReal is an independently operated company, owned by BCI, which manages the Mortgage and Real Estate Programs pursuant to an Asset Management Agreement as agreed between BCI and QuadReal. The Funds had the following transactions with related parties during the year.

Investments

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.

The Funds enter into investment transactions with subsidiaries and associates in the normal course of business of its investments as well as unfunded capital commitments as disclosed in note 6. Since balances in connection with all investment transactions are measured at FVTPL, those transactions undertaken with related parties have the same impact on net assets and comprehensive income as those with unrelated parties.

On May 26, 2022, Bolsena (Public) Fund purchased 100% of the limited partner units of a limited partnership for \$228 million, which approximated fair value, from a limited partnership held by Bolsena Fund.

BCI cost recoveries

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.

Program restructure

On January 4, 2021, the Infrastructure & Renewable Resources Program (the "Program") through a series of transactions was restructured from a fixed participation program to an 'evergreen' open participation program for most existing and all future investments to provide a more diversified Program investment mix for unitholders. As part of this restructuring, the following related party transactions occurred.

a. Bolsena (Australia) Fund

On January 1, 2021, Bolsena (Australia) Fund purchased interests in trusts holding direct private debt, direct private equity, and unlisted private equity investee funds from entities managed by BCI for aggregate consideration of \$542 million. A trust holding investments with a carrying value of \$42

million, which approximated fair value, was transferred from client segregated accounts managed by BCI to Bolsena (Australia) Fund in exchange for consideration of units issued in the trust.

On January 5, 2021, as part of the initial rebalancing of participation in the program, a private corporation transferred a portion of its legal and beneficial interest in a trust to Bolsena (Australia) Fund for proceeds of \$2 million.

i. Prepaid investment

Bolsena (Australia) Fund entered into an interest assignment agreement and option grant for the period from January 1, 2021 to June 30, 2026, related to private debt investments held in client segregated accounts, whereby Bolsena (Australia) Fund is assigned interest income received into the client segregated accounts in respect of the debt interests as well as an option agreement to acquire the private debt investments in exchange for \$337 million, which approximated fair value. The fair value of the investment at December 31, 2022 of \$313 million (2021 - \$307 million) has been recorded on the Statement of Financial Position within investments and interest income of \$10 million (2021 - \$16 million) was assigned in relation to the private debt investments.

b. Bolsena Fund

On January 1, 2021, the following Funds (the "closed Funds") and entities managed by BCI, were combined into Strategic Inv 100 Foreign PP Fund (the "surviving Fund"), which was subsequently renamed Bolsena Fund:

- Bolsena (Australia B) Fund
- Strategic Infrastructure Investment Fund 3
- 2016 Renewable Resources Fund
- Renewable Resource Investment 2 Fund
- Hydro Pool 2
- Hydro Pension RRIF2 Investment Trust
- Renewable Resources Agricultural Fund

The units held by each of the closed Funds were declared units of Bolsena Fund on a fair value basis, with the initial unit value being \$1 million per unit as per paragraph 5(2)(a) of the Regulation resulting in units issued for payments-in-kind of \$5,232 million.

On January 4, 2021, Bolsena Fund transferred its interests in a limited partnership holding direct private equity investments formerly held in the 2016 Renewable Resources Fund for consideration of units of a limited partnership for \$437 million, which approximated fair value, to a limited partnership held directly by client-segregated accounts and managed by BCI.

On January 4, 2021, Bolsena Fund transferred its interest in a private corporation holding private equity fund investments including interests in Corix Infrastructure Inc., a subsidiary of the Fund, for consideration of units of a limited partnership for \$120 million, which approximated fair value, to a limited partnership held by a trust managed by BCI, Bolsena Investment Trust.

Payable to BCI pooled investment portfolio

In the normal course of business, Bolsena (Public) Fund received internal fixed term financing linked to the Canadian Dollar Offered Rate (the "Benchmark"), from CDOR 2 Floating Rate Fund managed by BCI which is classified as related party. These transactions are governed by the BCI's *Internal Transaction Directive*. The amounts in the table represent outstanding amounts as at:

Borrowing entity	Initial principal financing commitment (CAD)	December 31, 2022		December 31, 2021	
Bolsena (Public) Fund	Up to \$2,000,000 ¹	\$	66,865	\$	—
Bolsena (Public) Fund	Up to \$500,000 ²		—		199,944
Total Payable to BCI pooled investment portfolio		\$	66,865	\$	199,944

Internal transactions between Funds are not secured in that specific assets are not pledged by the borrowing Fund to secure its obligations; however, the obligations of the borrowing Funds are supported by assurances from BCI's Strategic Asset Allocation Department that client assets will be reallocated to the borrowing pool as necessary to ensure satisfaction of payment obligations at the end of the financing term.

¹ Borrowing entities include stopper corporations within Bolsena Fund, Bolsena (Public) Fund and client segregated accounts within the Infrastructure and Renewable Resources program. The Facilities earn a floating rate return that is linked to the Canadian Dollar Offered Rate plus 0.385% - 0.77% and matures in July 2023.

² Borrowing entities include stopper corporations within Bolsena Fund, Bolsena (Public) Fund and client segregated accounts within the Infrastructure and Renewable Resources program. The Facility earns a floating rate return that is linked to the Canadian Dollar Offered Rate plus 0.2%. In January 2022, the Facility was repaid in full.

5. REDEEMABLE UNITS

The Funds are authorized to issue an unlimited number of units. Units issued and outstanding represent the capital of each Fund. The Funds are not subject to any internally or externally imposed restrictions on their capital. BCI manages the capital of each Fund in accordance with the respective Fund's investment objectives, including managing the redeemable units to ensure a stable base to maximize returns to all investors, and managing liquidity in order to meet redemptions. The following is a summary of the changes in redeemable units outstanding during the year ended December 31:

	BOLSENA FUND		BOLSENA (AUSTRALIA) FUND	
	2022	2021	2022	2021
Outstanding, beginning of year	10,955.010	3,109.311	1,469.820	412.582
Issued for cash	601.475	11,835.944	17.491	1,136.790
Issued on reinvestment of distributions	—	407.552	3.543	—
Consolidation of units	—	(407.552)	(3.543)	—
Redeemed	(333.719)	(3,990.245)	(16.261)	(79.552)
Outstanding, end of year	11,222.766	10,955.010	1,471.050	1,469.820

	BOLSENA (PUBLIC) FUND		RENEWABLE RESOURCES INVESTMENT FUND	
	2022	2021	2022	2021
Outstanding, beginning of year	255.156	228.918	20.625	15.982
Issued for cash	516.333	43.426	0.104	4.644
Issued on reinvestment of distributions	—	—	—	—
Consolidation of units	—	—	—	—
Redeemed	(5.216)	(17.188)	—	(0.001)
Outstanding, end of year	766.273	255.156	20.729	20.625

6. UNFUNDED COMMITTED CAPITAL

Unfunded capital commitments represent total commitments minus net contributions outstanding as of the reporting date. Net contributions equals contributions less any recallable capital distributions. Recallable capital are distributions or previously contributed capital that has been returned, that may be recalled at some future date. Thus, due to changes in recallable capital, unfunded commitments may change at different reporting dates.

Furthermore, commitments to unlisted private equity investee funds and direct private equity investments are typically made in 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, 2022	December 31, 2021
Bolsena Fund	\$ 2,411,158	\$ 1,200,001
Bolsena (Public) Fund	372,143	437,820
Renewable Resources Investment Fund	8	8

7. FINANCIAL RISK MANAGEMENT

(a) Risk management framework

The Infrastructure & Renewable Resources Program seeks to invest in tangible long-life assets with potential for strong cash flows and favourable risk-return characteristics. Investments in the Funds are global in scope. Each Fund has its own investment objectives. The Funds' overall risk management program seeks to minimize the potentially adverse effect of risk on the Funds' financial performance in a manner consistent with the Funds' investment objectives. The mandates and investment policies are described below. The performance objective of each Fund is to exceed the benchmark, the nominal cost of capital of 6.3%, by 61 basis points ("bps") per annum, net of all investment expenses incurred.

Infrastructure and Renewable Resources Program

The Infrastructure Program was established in 2005 to offer clients the ability to gain long-term exposure to global infrastructure assets. In 2013, BCI created the Renewable Resource Investment Fund to focus on investing in forestry, agriculture, and other renewable assets. In 2020, the two investment portfolios were consolidated under one Program to achieve the benefits of efficiency and streamlined reporting as they share similar attributes as noted above. In 2021, the Program was restructured to provide an Open Participation rather than Fixed Participation Pool structure for most existing and all future investments ensuring a more diversified Program investment mix is available for unitholders.

The Program primarily invests directly in privately held companies, but also invests selectively through private limited partnerships managed by external fund managers.

Infrastructure and related investments typically include large-scale physical assets that provide essential services to societies. These services are key in allowing for operational efficiencies and achieving economic growth and development. Typical investment areas include:

- Utilities providing water, electricity, gas, and wastewater treatment services;
- Energy, including pipeline transmission and storage;
- Transportation, including roads, railways, bridges, airports, and port terminals; and
- Communications, including telecom towers, data centres, and fibre optic cables.

Renewable resources and related investments typically include physical assets that are used in the production, storage, and distribution of food, wood-based, and other agricultural products. These are critical assets that support global demand driven by population growth and increased economic mobility.

Renewable resources assets targeted by the Program are primarily focused on timberlands and farmlands. The Program may also target other renewable resources assets, such as those used in the generation of hydroelectric, wind, biomass, and solar energies and related investments.

The Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to trust units, partnership interests, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios;
- publicly traded fixed income securities, common stock or common stock equivalents including preferred shares, instalment receipts, convertible securities, as well as rights and warrants received via corporate actions;
- derivative instruments, for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, with CIO approval;
- money market securities rated "A-1 (Low)" or better; and
- units of BCI's short term money market funds and/or the Floating Rate Funds;

The following restriction applies to the Funds' investing activities:

- the Funds may not sell short or borrow securities;
- no investment in an externally managed fund or direct investment will be made without extensive due diligence being completed by the Fund;
- in meeting its fiduciary duty to all Participating Unitholders, no private equity investments will be sold solely to meet a cash withdrawal request; 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.

Financial Risks

In the normal course of business, each Fund is exposed to financial risks including credit risk, liquidity risk, and market risk (including interest rate, currency and other price risks). The level of risk varies depending on the investment objective of the Fund and type of investments it holds.

(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 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 their 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. Investment objectives for the Funds are outlined in the notes specific to each Fund.

(i) Interest rate risk

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

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

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks has been taking place globally. The reform aims to replace some interbank offered rates ("IBORs") with Risk-Free Rates ("RFRs") for certain products (referred to as "IBOR reform"). The Funds' exposure to IBOR reform is through their investments in unlisted private equity investee funds, derivatives, and debt issued that are being replaced or reformed as part of this market-wide initiative.

The main risks to which the Funds have been exposed as a result of IBOR reform are operational resulting from, for example, communicating with counterparties, amending contracts or existing fallback clauses, updating systems and processes that use IBOR curves and the revision of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

BCI established a working group which includes stakeholders from key impacted departments to monitor and manage the Funds' transition to RFRs. The working group evaluates the extent to which operational systems are impacted by the IBOR reform, updates and provides guidance on the transition to relevant stakeholders, and promotes awareness of changes to relevant stakeholders. To date, BCI has successfully adapted internal systems and processes and continues to monitor market and regulatory developments to ensure ongoing organizational readiness.

For derivative financial instruments, the Funds have adhered to the International Swaps and Derivatives Association ("ISDA") Fallbacks Protocol that took effect January 25, 2021, which provides an efficient mechanism to switch to Alternative Benchmark Rates ("ABRs") as IBORs become unavailable.

As at December 31, 2022, the IBOR reform in respect to which the Funds have exposure to has been completed. The Funds were not significantly impacted by the IBOR reform.

(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 public equity investments, direct private equity, direct private debt, and unlisted private equity investee funds, whose valuation is based on the valuation of the underlying companies of those investee funds. The Funds invests in such financial assets in order to take advantage of their long-term growth opportunity. All investments present a risk of loss of capital. BCI management moderates this risk through careful selection of the investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid.

The Funds makes commitments to a diversified portfolio of private equity funds managed by managers with a strong track record. The Funds diversify their portfolio of investee funds across managers, underlying industries, countries and investment stages.

BCI management follows a rigorous investment due diligence process prior to making an investment decision. BCI management considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the underlying manager of the investee funds through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an investment agreement, gathered information is confirmed through reference checks or through BCI's standing data and experience.

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

The COVID-19 pandemic, geopolitical tensions, and rising inflation and interest rates are continuing to disrupt global economic activity and create high levels of uncertainty and volatility on financial markets.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

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

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

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

- Level 1 inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 inputs that are unobservable.

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

(b) Valuation models

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

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

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

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 payable, payable for purchase of investments, 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 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. As at December 31, 2022 and 2021, there are no Funds that have any net capital losses available to be carried forward, nor any non-capital losses.

10. RECIPROCAL TAX AGREEMENT (“RTA”) RECOVERY

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 in lieu of the goods and services tax (“GST”) under the RTA between the B.C. and federal governments. 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, which represented a liability for the years ended December 31, 2017 to the date of decision, with no offsetting receivable in respect of a rebate, was reversed and the resulting recovery was recorded in Other income. This recovery represents non-recurring income for the year ended December 31, 2021.

The RTA recovery for each Fund is as follows:

Pooled Investment Portfolios	RTA recovery
Bolsena Fund	\$ 9,753
Bolsena (Australia) Fund	3,375
Bolsena (Public) Fund	59
Renewable Resources Investment Fund	408

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