



PRIVATE EQUITY

Pooled Fund Financial Statements

DECEMBER 2022

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

GROUP OF FUNDS

2016 Private Placement Fund

2018 Private Equity Fund

2019 Private Equity Fund

2020 Private Equity Fund

2021 Private Equity Fund

2022 Private Equity 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:

2016 Private Placement Fund	2020 Private Equity Fund
2018 Private Equity Fund	2021 Private Equity Fund
2019 Private Equity Fund	2022 Private Equity 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 Audit 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 Funds' 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 Funds' 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



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

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

2016 Private Placement Fund	2020 Private Equity Fund
2018 Private Equity Fund	2021 Private Equity Fund
2019 Private Equity Fund	2022 Private Equity Fund

(collectively, the "Funds")

Opinion

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

- the statements of financial position as at December 31, 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

2016 PRIVATE PLACEMENT 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		\$ 3,959,217	\$ 4,667,038
Total assets		3,959,217	4,667,038
Liabilities			
BCI cost recoveries payable	4	478	160
Other accounts payable		29	24
		507	184
Net assets attributable to holders of redeemable units		\$ 3,958,710	\$ 4,666,854
Number of redeemable units outstanding	5	4,135.700	5,038.800
Net assets attributable to holders of redeemable units per unit		\$ 957	\$ 926
<i>Related party transactions: Guarantees</i>	4		
<i>Unfunded committed capital</i>	6		
<i>Subsequent event</i>	11		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2016 PRIVATE PLACEMENT 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
Other income	10	\$ 98	\$ 1,343
Change in fair value of investments:			
Net realized gain		456,835	458,415
Net change in unrealized appreciation		(352,649)	586,336
Total revenue		104,284	1,046,094
Expenses			
BCI cost recoveries	4	3,891	1,932
Administrative fees		35	73
Withholding taxes		1	—
Total operating expenses		3,927	2,005
Increase in net assets attributable to holders of redeemable units before distributions		100,357	1,044,089
Distributions to holders of redeemable units		(453,006)	(459,623)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (352,649)	\$ 584,466

2016 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

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

	2022	2021
Balance, beginning of year	\$ 4,666,854	\$ 4,575,902
Increase (decrease) in net assets attributable to holders of redeemable units	(352,649)	584,466
Redeemable unit transactions:		
Proceeds from units issued	74,103	103,716
Reinvestment of distributions	453,006	459,623
Amounts paid for units redeemed	(882,604)	(1,056,853)
Net decrease from redeemable unit transactions	(355,495)	(493,514)
Balance, end of year	\$ 3,958,710	\$ 4,666,854

2016 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

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

	2022	2021
Operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (352,649)	\$ 584,466
Adjustments for:		
Net realized gain from investments	(456,835)	(458,415)
Net change in unrealized appreciation of investments	352,649	(586,336)
Non cash distributions	453,006	459,623
BCI cost recoveries payable	318	(1,020)
Other accounts payable	5	(5)
Net sale of investments	812,007	954,824
	808,501	953,137
Financing activities		
Proceeds from issuance of redeemable units	74,103	103,716
Payments on redemption of redeemable units	(882,604)	(1,056,853)
	(808,501)	(953,137)
Cash, beginning and end of year	\$ —	\$ —

2016 PRIVATE PLACEMENT 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	\$ 3,959,207	\$ 1,807,251	\$ 4,667,028	\$ 2,162,423
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	9	9	9	9
Fund ST3	1	1	1	1
	10	10	10	10
Total Investments	\$ 3,959,217	\$ 1,807,261	\$ 4,667,038	\$ 2,162,433

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

2016 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2016 Private Placement Fund.

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

	2022		2021	
	Total	% of Total	Total	% of Total
Net investment-related payables	\$ (1)	0.0 %	\$ (7)	0.0 %
Unlisted private equity investee funds	3,257,952	82.3	3,823,944	81.9
Direct private equity investments	701,128	17.7	832,065	17.8
BCI money market funds	128	0.0	11,026	0.3
Total	\$ 3,959,207	100.0 %	\$ 4,667,028	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

2016 PRIVATE PLACEMENT FUND

Currency Risk

As 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. The table includes foreign currency contracts.

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
Euro	\$ 1,541,465	38.9 %	\$ 1,565,033	33.5 %
United States Dollar	2,417,525	61.1	3,101,970	66.5
Net foreign currency exposure	\$ 3,958,990	100.0 %	\$ 4,667,003	100.0 %

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

As at December 31, 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 \$39,590 (2021 - \$46,670), 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.

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

CURRENCY	2022		2021	
Euro	\$	170,304	\$	72,740
United States Dollar		568,657		651,568
Net foreign currency exposure through unfunded capital commitments	\$	738,961	\$	724,308

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 \$7,390 (2021 - \$7,243). 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.

2016 PRIVATE PLACEMENT FUND

Other Price Risk

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

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

INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Financials	\$ 701,128	17.7 %	\$ 629,324	13.5 %
Industrials	—	0.0	202,741	4.4
	701,128	17.7	832,065	17.9
Total Unlisted Private Equity Investee Funds in diversified industries	3,257,952	82.3	3,823,944	82.1
Total	\$ 3,959,080	100.0 %	\$ 4,656,009	100.0 %

The Fund's direct private 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 Investments				
Europe	\$ 701,128	17.7 %	\$ 629,324	13.5 %
North America	—	0.0	202,741	4.4
	701,128	17.7	832,065	17.9
Total Unlisted Private Equity Investee Funds diversified globally	3,257,952	82.3	3,823,944	82.1
Total	\$ 3,959,080	100.0 %	\$ 4,656,009	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 395,922 (2021 - \$466,704), representing 10.0% (2021 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2016 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	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
Net investment-related payables	\$ —	\$ (1)	\$ —	\$ (1)	\$ —	\$ (7)	\$ —	\$ (7)
Unlisted private equity investee funds	—	—	3,257,952	3,257,952	—	—	3,823,944	3,823,944
Direct private equity investments	—	—	701,128	701,128	—	—	832,065	832,065
BCI money market funds	138	—	—	138	11,036	—	—	11,036
Total	\$ 138	\$ (1)	\$ 3,959,080	\$ 3,959,217	\$ 11,036	\$ (7)	\$ 4,656,009	\$ 4,667,038

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 832,065	\$ 3,823,944	\$ 4,656,009
Total gains (losses) recognized in profit or loss	139,684	(29,958)	109,726
Purchases	4,462	114,249	118,711
Sales	(275,083)	(650,283)	(925,366)
Closing balance, end of year	\$ 701,128	\$ 3,257,952	\$ 3,959,080
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 126,604	\$ (40,422)	\$ 86,182

2016 PRIVATE PLACEMENT FUND

2021				
	Direct Private Equity Investments		Unlisted Private Equity Investee Funds	
				Total
Opening balance, beginning of year	\$	678,320	\$	3,892,869
Total gains recognized in profit or loss		260,916		775,501
Purchases		—		302,493
Sales		(107,171)		(1,146,919)
Closing balance, end of year	\$	832,065	\$	3,823,944
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$	239,962	\$	586,845
				826,807

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:

2022						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 701,128	Discounted Cash Flows	Discount rate	11.0%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 2,561,361	Net Asset Value	Net Asset Value	2,561,361	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 696,591	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 696,591	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment 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	\$ 10,441	Net Asset Value	Net Asset Value	\$ 10,441	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	192,300	Transaction Price	N/A	N/A	N/A	N/A
Direct Private Equity Investments	\$ 629,324	Discounted Cash Flows	Discount rate	11.0%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 3,316,736	Net Asset Value	Net Asset Value	\$ 3,316,736	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 507,208	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 507,208	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

2016 PRIVATE PLACEMENT FUND

Significant unobservable inputs are developed as follows:

Discount Rate:

Represents the discount rate applied to the projected future cash flows of each investment. Discount rates and projected cash flows are based on various investment-specific and macroeconomic inputs and assumptions. Discount rates are adjusted to reflect the risk inherent in the projected cash flows.

Net Asset Value:

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

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

Adjusted Net Asset Value:

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

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.

2016 PRIVATE PLACEMENT FUND

Effects of Unobservable Input on Fair Value Measurement

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

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

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

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

	2022		2021	
Favourable	\$	395,908	\$	446,371
Unfavourable		(395,908)		(446,371)

2016 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	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	\$ 138	2	\$ 5,303,907	\$ 11,036
Unlisted private equity investee funds administered by third party managers	12	45,793,013	3,257,952	13	63,310,430	3,823,944

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.

2016 PRIVATE PLACEMENT FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2022

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Hayfin Capital	European credit platform specializing in sourcing structuring, and managing European private debt instruments	Common shares	Subsidiary	U.K.	England	47.4 %	47.4 %

2021

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Hayfin Capital	European credit platform specializing in sourcing structuring, and managing European private debt instruments	Common shares	Subsidiary	U.K.	England	50.6 %	50.6 %
Pilot Freight Services	Freight Forwarding & Logistics	Common shares	Associate	Global	U.S.	36.9 %	36.9 %

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.

2018 PRIVATE EQUITY 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		\$ 3,690,973	\$ 3,386,755
Total assets		3,690,973	3,386,755
Liabilities			
BCI cost recoveries payable	4	424	150
Other accounts payable		29	25
		453	175
Net assets attributable to holders of redeemable units		\$ 3,690,520	\$ 3,386,580
Number of redeemable units outstanding	5	7,228.290	6,725.629
Net assets attributable to holders of redeemable units per unit		\$ 511	\$ 504
<i>Related party transactions: Guarantees</i>	4		
<i>Unfunded committed capital</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2018 PRIVATE EQUITY 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
Other income	10	—	5,288
Foreign exchange gain		—	542
Change in fair value of investments:			
Net realized gain		26,262	183,887
Net change in unrealized appreciation		30,483	686,846
Total revenue		56,745	876,563
Expenses			
BCI cost recoveries	4	3,286	1,461
Administrative fees		119	60
Pursuit costs		246	66
Total operating expenses		3,651	1,587
Increase in net assets attributable to holders of redeemable units before distributions		53,094	874,976
Distributions to holders of redeemable units		(66,127)	(108,537)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (13,033)	\$ 766,439

2018 PRIVATE EQUITY FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

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

	2022	2021
Balance, beginning of year	\$ 3,386,580	\$ 2,316,365
Increase (decrease) in net assets attributable to holders of redeemable units	(13,033)	766,439
Redeemable unit transactions:		
Proceeds from units issued	346,465	671,243
Reinvestment of distributions	66,127	108,537
Amounts paid for units redeemed	(95,619)	(476,004)
Net increase from redeemable unit transactions	316,973	303,776
Balance, end of year	\$ 3,690,520	\$ 3,386,580

2018 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

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

Operating activities	2022	2021
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (13,033)	\$ 766,439
Adjustments for:		
Foreign exchange gain	—	(542)
Net realized gain from investments	(26,262)	(183,887)
Net change in unrealized appreciation of investments	(30,483)	(686,846)
Non cash distributions	66,127	108,537
BCI cost recoveries payable	274	(2,529)
Other accounts payable	4	(2)
Net purchase of investments	(247,473)	(196,951)
	(250,846)	(195,781)
Financing activities		
Proceeds from issuance of redeemable units	346,465	671,243
Payments on redemption of redeemable units	(95,619)	(476,004)
	250,846	195,239
Net decrease in cash	—	(542)
Effect of exchange rate changes on cash	—	542
Cash, beginning and end of year	\$ —	\$ —

2018 PRIVATE EQUITY 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	\$ 3,690,963	\$ 2,495,863	\$ 3,386,724	\$ 2,222,107
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Fund ST3	—	—	21	21
	10	10	31	31
Total Investments	\$ 3,690,973	\$ 2,495,873	\$ 3,386,755	\$ 2,222,138

¹ The private equity investments are held through private corporations.

2018 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2018 Private Equity Fund.

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

	2022		2021	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 2,206,346	59.8 %	\$ 1,721,211	50.9 %
Direct private equity investments	1,482,110	40.1	1,653,233	48.7
BCI money market funds	2,507	0.1	12,280	0.4
Total	\$ 3,690,963	100.0 %	\$ 3,386,724	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

2018 PRIVATE EQUITY FUND

Currency Risk

As 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	\$ 50,963	1.4 %	\$ 38,741	1.1 %
Euro	924,535	25.1	917,026	27.1
United States Dollar	2,670,578	72.4	2,390,164	70.6
Net foreign currency exposure	\$ 3,646,076	98.9 %	\$ 3,345,931	98.8 %

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

As at December 31, 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 \$36,461 (2021 - \$33,459), 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.

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

CURRENCY	2022		2021	
Australian Dollar	\$	16,738	\$	26,160
Euro		243,558		313,145
United States Dollar		406,952		622,279
Net foreign currency exposure through unfunded capital commitments	\$	667,248	\$	961,584

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 \$6,672 (2021 - \$9,616). 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.

2018 PRIVATE EQUITY FUND

Other Price Risk

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

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

INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Discretionary	\$ 521,394	14.1 %	\$ 483,904	14.3 %
Industrials	237,099	6.4	196,233	5.8
Information Technology	723,617	19.7	973,096	28.9
	1,482,110	40.2	1,653,233	49.0
Total Unlisted Private Equity Investee Funds in diversified industries	2,206,346	59.8	1,721,211	51.0
Total	\$ 3,688,456	100.0 %	\$ 3,374,444	100.0 %

The Fund's direct private 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 Investments				
Asia	\$ 264,086	7.2 %	\$ 237,885	7.0 %
Europe	340,779	9.2	465,470	13.8
North America	877,245	23.8	949,878	28.2
	1,482,110	40.2	1,653,233	49.0
Total Unlisted Private Equity Investee Funds diversified globally	2,206,346	59.8	1,721,211	51.0
Total	\$ 3,688,456	100.0 %	\$ 3,374,444	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 \$369,097 (2021 - \$338,676), representing 10.0% (2021 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2018 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	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	\$ —	\$ —	\$ 2,206,346	\$ 2,206,346	\$ —	\$ —	\$ 1,721,211	\$ 1,721,211
Direct private equity investments	—	—	1,482,110	1,482,110	—	—	1,653,233	1,653,233
BCI money market funds	2,517	—	—	2,517	12,311	—	—	12,311
Total	\$ 2,517	\$ —	\$ 3,688,456	\$ 3,690,973	\$ 12,311	\$ —	\$ 3,374,444	\$ 3,386,755

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			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 1,653,233	\$ 1,721,211	\$ 3,374,444	
Total gains (losses) recognized in profit or loss	(163,841)	213,450	49,609	
Purchases	—	365,822	365,822	
Sales	(7,282)	(94,137)	(101,419)	
Closing balance, end of year	\$ 1,482,110	\$ 2,206,346	\$ 3,688,456	
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (163,761)	\$ 203,690	\$ 39,929	

2018 PRIVATE EQUITY FUND

2021				
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 1,262,223	\$ 1,052,831	\$	2,315,054
Total gains recognized in profit or loss	494,058	412,760		906,818
Purchases	151,418	598,484		749,902
Sales	(254,466)	(342,864)		(597,330)
Closing balance, end of year	\$ 1,653,233	\$ 1,721,211	\$	3,374,444
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 173,837	\$ 340,010	\$	513,847

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:

2022						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,218,025	Net Asset Value	Net Asset Value	\$ 1,218,025	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 264,085	Market approach	EBITDA multiple	9.5x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 2,206,346	Net Asset Value	Net Asset Value	\$ 2,206,346	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
Direct Private Equity Investments	\$ 1,195,898	Net Asset Value	Net Asset Value	\$ 1,195,898	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 219,450	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 219,450	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Direct Private Equity Investments	237,885	Market approach	EBITDA multiple	11.2x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,721,211	Net Asset Value	Net Asset Value	\$ 1,721,211	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

2018 PRIVATE EQUITY FUND

Net Asset Value:

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

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

Adjusted Net Asset Value:

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

EBITDA multiple:

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

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

	2022		2021	
Favourable	\$	368,846	\$	337,444
Unfavourable		(368,846)		(337,444)

2018 PRIVATE EQUITY FUND

Involvement with Structured Entities

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

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

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

Entity	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	\$ 2,517	2	\$ 5,303,907	\$ 12,311
Unlisted private equity investee funds administered by third party managers	13	59,568,258	2,206,346	13	43,176,702	1,721,211

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.

2018 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2022							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Greenheart Gas	Shipping	Common shares	Associate	Australia	Marshall Islands	44.6 %	44.6 %
Verifone	Financial Services	Common shares	Associate	U.S.	U.S.	18.3 %	18.3 %

2021							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Greenheart Gas	Shipping	Common shares	Associate	Australia	Marshall Islands	44.6 %	44.6 %
Verifone	Financial Services	Common shares	Associate	U.S.	U.S.	18.3 %	18.3 %

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.

2019 PRIVATE EQUITY 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		\$ 4,680,663	\$ 3,863,945
Total assets		4,680,663	3,863,945
Liabilities			
BCI cost recoveries payable	4	528	151
Other accounts payable		44	24
		572	175
Net assets attributable to holders of redeemable units		\$ 4,680,091	\$ 3,863,770
Number of redeemable units outstanding	5	7,793.460	689,698,932.140
Net assets attributable to holders of redeemable units per unit		\$ 601	\$ —
<i>Unfunded committed capital</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2019 PRIVATE EQUITY FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

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

Revenue	NOTES	2022	2021
Other income	10	\$ —	\$ 2,777
Foreign exchange loss		—	(3)
Change in fair value of investments:			
Net realized gain		37,725	16,388
Net change in unrealized appreciation		282,326	974,834
Total revenue		320,051	993,996
Expenses			
BCI cost recoveries	4	3,932	1,727
Administrative fees		35	43
Pursuit costs		14	58
Total operating expenses		3,981	1,828
Increase in net assets attributable to holders of redeemable units before distributions		316,070	992,168
Distributions to holders of redeemable units		(32,435)	—
Increase in net assets attributable to holders of redeemable units		\$ 283,635	\$ 992,168

2019 PRIVATE EQUITY FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

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

	2022	2021
Balance, beginning of year	\$ 3,863,770	\$ 1,947,893
Increase in net assets attributable to holders of redeemable units	283,635	992,168
Redeemable unit transactions:		
Proceeds from units issued	627,937	1,011,918
Reinvestment of distributions	32,435	—
Amounts paid for units redeemed	(127,686)	(88,209)
Net increase from redeemable unit transactions	532,686	923,709
Balance, end of year	\$ 4,680,091	\$ 3,863,770

2019 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

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

	2022	2021
Operating activities		
Increase in net assets attributable to holders of redeemable units	\$ 283,635	\$ 992,168
Adjustments for:		
Foreign exchange loss	—	3
Net realized gain from investments	(37,725)	(16,388)
Net change in unrealized appreciation of investments	(282,326)	(974,834)
Non cash distributions	32,435	—
BCI cost recoveries payable	377	(1,169)
Other accounts payable	20	(3)
Net purchase of investments	(496,667)	(923,483)
	(500,251)	(923,706)
Financing activities		
Proceeds from issuance of redeemable units	627,937	1,011,918
Payments on redemption of redeemable units	(127,686)	(88,209)
	500,251	923,709
Net increase in cash	—	3
Effect of exchange rate changes on cash	—	(3)
Cash, beginning and end of year	\$ —	\$ —

2019 PRIVATE EQUITY 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	\$ 4,680,652	\$ 3,139,998	\$ 3,863,934	\$ 2,605,606
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Fund ST3	1	1	1	1
	11	11	11	11
Total Investments	\$ 4,680,663	\$ 3,140,009	\$ 3,863,945	\$ 2,605,617

¹ The private equity investments are held through private corporations.

2019 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2019 Private Equity Fund.

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

	2022		2021	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ 19,422	0.4 %	\$ 15,791	0.4 %
Direct private debt investments	457,254	9.8	435,192	11.3
Unlisted private equity investee funds	2,841,865	60.7	2,272,274	58.8
Direct private equity investments	1,362,072	29.1	1,140,642	29.5
Foreign currency contracts, net	3	0.0	—	0.0
BCI money market funds	36	0.0	35	0.0
Total	\$ 4,680,652	100.0 %	\$ 3,863,934	100.0 %

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

Credit Risk

The Fund's private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The Fund's debt investments are not subject to credit risk as any decrease in fair value would result in an offsetting change in value of the related equity investment.

Liquidity Risk

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

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

Interest Rate Risk

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 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

As 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. The table includes foreign currency contracts.

2019 PRIVATE EQUITY FUND

	2022		2021	
CURRENCY	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 198,666	4.2 %	\$ 191,033	4.9 %
British Pound Sterling	989,760	21.1	766,724	19.8
Euro	938,696	20.1	802,827	20.8
United States Dollar	2,553,509	54.6	2,103,329	54.4
Net foreign currency exposure	\$ 4,680,631	100.0 %	\$ 3,863,913	99.9 %

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

As at December 31, 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 \$46,806 (2021 - \$38,639), 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.

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

CURRENCY	2022	2021
Australian Dollar	\$ 9,939	\$ 9,934
British Pound Sterling	28,819	23,098
Euro	316,556	551,722
United States Dollar	879,481	1,118,302
Net foreign currency exposure through unfunded capital commitments	\$ 1,234,795	\$ 1,703,056

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 \$12,348 (2021 - \$17,031). 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 investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

2019 PRIVATE EQUITY FUND

INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Consumer Discretionary	\$ 190,985	4.1 %	\$ 186,418	4.8 %
Financials	717,468	15.4	547,804	14.2
Health Care	402,189	8.6	412,434	10.7
Information Technology	77,534	1.7	186,686	4.9
Telecommunication Services	431,150	9.2	242,492	6.3
	1,819,326	39.0	1,575,834	40.9
Total Unlisted Private Equity Investee Funds in diversified industries	2,841,865	61.0	2,272,274	59.1
Total	\$ 4,661,191	100.0 %	\$ 3,848,108	100.0 %

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

GEOGRAPHIC REGION	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Asia	\$ 268,519	5.8 %	\$ 368,787	9.6 %
Europe	717,468	15.4	552,121	14.3
North America	833,339	17.7	654,926	17.0
	1,819,326	38.9	1,575,834	40.9
Total Unlisted Private Equity Investee Funds diversified globally	2,841,865	61.1	2,272,274	59.1
Total	\$ 4,661,191	100.0 %	\$ 3,848,108	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 \$468,066 (2021 - \$386,395), representing 10.0% (2021 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2019 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	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
Net investment-related receivables	\$ —	\$ 19,422	\$ —	\$ 19,422	\$ —	\$ 15,791	\$ —	\$ 15,791
Direct private debt investments	—	—	457,254	457,254	—	—	435,192	435,192
Unlisted private equity investee funds	—	—	2,841,865	2,841,865	—	—	2,272,274	2,272,274
Direct private equity investments	—	—	1,362,072	1,362,072	—	—	1,140,642	1,140,642
Foreign currency contracts, net	—	3	—	3	—	—	—	—
BCI money market funds	47	—	—	47	46	—	—	46
Total	\$ 47	\$ 19,425	\$ 4,661,191	\$ 4,680,663	\$ 46	\$ 15,791	\$ 3,848,108	\$ 3,863,945

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			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 1,140,642	\$ 435,192	\$ 2,272,274	\$ 3,848,108
Total gains (losses) recognized in profit or loss	210,266	(20,865)	86,842	276,243
Purchases	44,214	42,927	638,302	725,443
Sales	(33,050)	—	(155,553)	(188,603)
Closing balance, end of year	\$ 1,362,072	\$ 457,254	\$ 2,841,865	\$ 4,661,191
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 245,006	\$ (20,865)	\$ 78,058	\$ 302,199

2019 PRIVATE EQUITY FUND

2021

	Direct Private Equity Investments		Direct Private Debt Investments		Unlisted Private Equity Investee Funds		Total
Opening balance, beginning of period	\$	866,231	\$	388,307	\$	683,463	\$ 1,938,001
Total gains (losses) recognized in profit or loss		292,994		(13,126)		679,699	959,567
Purchases		753		60,011		1,051,149	1,111,913
Sales		(19,336)		—		(142,037)	(161,373)
Closing balance, end of period	\$	1,140,642	\$	435,192	\$	2,272,274	\$ 3,848,108
Total unrealized gains (losses) for the period included in profit or loss related to level 3 investments held at the reporting date							
	\$	269,281	\$	(13,126)	\$	637,132	\$ 893,287

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:

2022

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,362,072	Net Asset Value	Net Asset Value	\$ 1,362,072	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 2,655,370	Net Asset Value	Net Asset Value	\$ 2,655,370	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 186,495	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 186,495	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	\$ 457,254	Net Asset Value	Net Asset Value	\$ 457,254	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2019 PRIVATE EQUITY FUND

2021

	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,140,642	Net Asset Value	Net Asset Value	\$ 1,140,642	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 2,072,559	Net Asset Value	Net Asset Value	\$ 2,072,559	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 199,715	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 199,715	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	\$ 430,875	Net Asset Value	Net Asset Value	430,875	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 4,317	Discounted Cash Flows	Discount rate	15.2%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

2019 PRIVATE EQUITY FUND

Significant unobservable inputs are developed as follows:

Discount Rate:

Represents the discount rate applied to the projected future cash flows of each investment. Discount rates and projected cash flows are based on various investment-specific and macroeconomic inputs and assumptions. Discount rates are adjusted to reflect the risk inherent in the projected cash flows.

Net Asset Value:

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

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

Adjusted Net Asset Value:

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

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

		2022	2021
Favourable	\$	466,119	\$ 384,811
Unfavourable		(466,119)	(384,811)

2019 PRIVATE EQUITY FUND

Involvement with Structured Entities

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

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

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

Entity	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	\$ 47	2	\$ 5,303,907	\$ 46
Unlisted private equity investee funds administered by third party managers	15	51,008,542	2,841,865	14	37,741,257	2,272,274

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.

2019 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2022

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
BMS Group	Financials	Common shares	Associate	Europe	U.K.	46.2 %	46.2 %

2021

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
BMS Group	Financials	Common Shares	Subsidiary	Europe	U.K.	50.2 %	50.2 %
Valence Surface	Industrials	Common Shares	Associate	North America	U.S.	44.6 %	44.6 %

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.

2020 PRIVATE EQUITY 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		\$ 2,033,436	\$ 1,763,665
Total assets		2,033,436	1,763,665
Liabilities			
BCI cost recoveries payable	4	241	98
Other accounts payable		29	24
		270	122
Net assets attributable to holders of redeemable units		\$ 2,033,166	\$ 1,763,543
Number of redeemable units outstanding	5	451.824	423.358
Net assets attributable to holders of redeemable units per unit		\$ 4,500	\$ 4,166
<i>Unfunded committed capital</i>	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2020 PRIVATE EQUITY FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

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

Revenue	NOTES	2022	2021
Interest income		—	—
Investment fund distribution		—	—
Dividend income		—	—
Securities lending income		—	—
Other income	10	\$ 2,015	\$ 2,604
Change in fair value of investments:			
Net realized gain		62,617	1,373
Net change in unrealized appreciation		100,004	361,880
Total revenue		164,636	365,857
Expenses			
BCI cost recoveries	4	1,891	9,615
Administrative fees		44	35
Pursuit costs		—	3,917
Total operating expenses		1,935	13,567
Increase in net assets attributable to holders of redeemable units before distributions		162,701	352,290
Distributions to holders of redeemable units		(25,701)	—
Increase in net assets attributable to holders of redeemable units		\$ 137,000	\$ 352,290

2020 PRIVATE EQUITY 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	\$ 1,763,543	\$ 692,532
Increase in net assets attributable to holders of redeemable units	137,000	352,290
Redeemable unit transactions:		
Proceeds from units issued	403,341	737,672
Reinvestment of distributions	25,701	—
Amounts paid for units redeemed	(296,419)	(18,951)
Net increase from redeemable unit transactions	132,623	718,721
Balance, end of year	\$ 2,033,166	\$ 1,763,543

2020 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

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

	2022		2021	
Operating activities				
Increase in net assets attributable to holders of redeemable units	\$	137,000	\$	352,290
Adjustments for:				
Net realized gain from investments		(62,617)		(1,373)
Net change in unrealized appreciation of investments		(100,004)		(361,880)
Non cash distributions		25,701		—
BCI cost recoveries payable		143		(2,376)
Other accounts payable		5		(132)
Net purchase of investments		(107,150)		(705,250)
		(106,922)		(718,721)
Financing activities				
Proceeds from issuance of redeemable units		403,341		737,672
Payments on redemption of redeemable units		(296,419)		(18,951)
		106,922		718,721
Cash, beginning and end of year	\$	—	\$	—

2020 PRIVATE EQUITY 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	\$ 2,033,412	\$ 1,543,107	\$ 1,763,642	\$ 1,373,340
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Fund ST3	14	13	13	13
	24	23	23	23
Total Investments	\$ 2,033,436	\$ 1,543,130	\$ 1,763,665	\$ 1,373,363

¹ The private equity investments are held through private corporations.

2020 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2020 Private Equity Fund.

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

	2022		2021	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ —	0.0 %	\$ 17,004	1.0 %
Direct private debt investments	—	0.0	109,470	6.2
Unlisted private equity investee funds	701,313	34.5	368,608	20.9
Direct private equity investments	1,332,063	65.5	1,261,874	71.5
BCI money market funds	36	0.0	6,686	0.4
Total	\$ 2,033,412	100.0 %	\$ 1,763,642	100.0 %

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

Credit Risk

The Fund's private debt investments are in closely held private companies. Due to the private nature of the debt, it is not subject to rating by a rating agency. The Fund's debt investments are not subject to credit risk as any decrease in fair value would result in an offsetting change in value of the related equity investment.

Liquidity Risk

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

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

Interest Rate Risk

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

As at December 31, 2022, the Fund had no other assets or liabilities which change in value as a result of changes in interest rates.

Currency Risk

As 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.

2020 PRIVATE EQUITY 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
British Pound Sterling	\$ 295,314	14.5 %	\$ 254,849	14.5 %
Euro	730,749	35.9	641,294	36.4
United States Dollar	1,007,340	49.5	867,510	49.2
Net foreign currency exposure	\$ 2,033,403	99.9 %	\$ 1,763,653	100.1 %

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

As at December 31, 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 \$20,334 (2021 - \$17,637), 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.

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

CURRENCY	2022	2021
Euro	\$ 686,842	\$ 428,759
United States Dollar	536,292	708,107
Net foreign currency exposure through unfunded capital commitments	\$ 1,223,134	\$ 1,136,866

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 \$12,231 (2021 - \$11,369). 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 investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Financials	\$ 295,314	14.5 %	\$ 254,849	14.6 %
Industrials	717,775	35.2	721,403	41.5
Information Technology	222,737	11.0	238,303	13.7
Telecommunication Services	96,237	4.7	156,789	9.0
	1,332,063	65.4	1,371,344	78.8
Total Unlisted Private Equity Investee Funds in diversified industries	701,313	34.5	368,608	21.2
Total	\$ 2,033,376	99.9 %	\$ 1,739,952	100.0 %

2020 PRIVATE EQUITY FUND

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

GEOGRAPHIC REGION	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Asia	\$ 32	0.0 %	\$ 155	0.0 %
Canada	13,947	0.7	14,394	0.8
Europe	811,127	39.8	828,424	47.6
North America	506,957	24.9	528,371	30.4
	1,332,063	65.4	1,371,344	78.8
Total Unlisted Private Equity Investee Funds diversified globally	701,313	34.5	368,608	21.2
Total	\$ 2,033,376	99.9 %	\$ 1,739,952	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 \$203,344 (2021 - \$176,367), representing 10.0% (2021 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2020 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	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
Net investment-related receivables	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 17,004	\$ —	\$ 17,004
Direct private debt investments	—	—	—	—	—	—	109,470	109,470
Unlisted private equity investee funds	—	—	701,313	701,313	—	—	368,608	368,608
Direct private equity investments	—	—	1,332,063	1,332,063	—	—	1,261,874	1,261,874
BCI money market funds	60	—	—	60	6,709	—	—	6,709
Total	\$ 60	\$ —	\$ 2,033,376	\$ 2,033,436	\$ 6,709	\$ 17,004	\$ 1,739,952	\$ 1,763,665

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			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Direct Private Debt Investments	Total
Opening balance, beginning of year	\$ 1,261,874	\$ 368,608	\$ 109,470	\$ 1,739,952
Total gains (losses) recognized in profit or loss	166,798	(2,361)	17,957	182,394
Purchases	424,735	425,510	—	850,245
Sales	(521,344)	(90,444)	(127,427)	(739,215)
Closing balance, end of year	\$ 1,332,063	\$ 701,313	\$ —	\$ 2,033,376
Total unrealized gains for the period included in profit or loss related to level 3 investments held at the reporting date	\$ 45,062	\$ 6,031	\$ —	\$ 51,093

2020 PRIVATE EQUITY FUND

	2021				
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 548,247	\$ 108,258	\$ 35,604	\$	692,109
Total gains recognized in profit or loss	271,370	(12,912)	89,954		348,412
Purchases	482,099	14,124	270,598		766,821
Sales	(39,842)	—	(27,548)		(67,390)
Closing balance, end of year	\$ 1,261,874	\$ 109,470	\$ 368,608	\$	1,739,952
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date					
	\$ 253,788	\$ (12,912)	\$ 80,371	\$	321,247

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

2020 PRIVATE EQUITY FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2022						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,235,826	Net Asset Value	Net Asset Value	\$ 1,235,826	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 96,237	Discounted Cash Flows	Discount rate	14.3%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 701,313	Net Asset Value	Net Asset Value	\$ 701,313	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
Direct Private Equity Investments	\$ 1,090,692	Net Asset Value	Net Asset Value	\$ 1,090,691	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 156,789	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 156,789	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Direct Private Equity Investments	\$ 14,393	Transaction Price	N/A	N/A	N/A	N/A
Unlisted Private Equity Investee Funds	\$ 368,608	Net Asset Value	Net Asset Value	\$ 368,608	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 109,470	Net Asset Value	Net Asset Value	\$ 109,470	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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.

2020 PRIVATE EQUITY FUND

Adjusted Net Asset Value:

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

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

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

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

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

	2022		2021	
Favourable	\$	203,338	\$	172,556
Unfavourable		(203,338)		(172,556)

2020 PRIVATE EQUITY FUND

Involvement with Structured Entities

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

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

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

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	\$ 60	2	\$ 5,303,907	\$ 6,709
Unlisted private equity investee funds administered by third party managers	11	39,436,203	701,313	10	14,311,183	368,608

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.

2020 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2022							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Compre Group	Financials	Preferred shares	Associate	Europe	U.K.	45.8 %	45.8 %
Csafe Global	Industrials	Common shares	Associate	North America	U.S.	13.6 %	13.6 %

2021							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Compre Group	Financials	Preferred shares	Associate	Europe	U.K.	45.8 %	45.8 %
Csafe Global	Industrials	Common shares	Associate	North America	U.S.	14.2 %	14.2 %
Waterlogic Plc	Business Services	Common shares	Associate	Europe	U.K.	22.8 %	22.8 %

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.

2021 PRIVATE EQUITY 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	\$	2,015,752	773,222
Total assets		2,015,752	773,222
Liabilities			
BCI cost recoveries payable	4	207	2,900
Other accounts payable		29	246
		236	3,146
Net assets attributable to holders of redeemable units	\$	2,015,516	\$ 770,076
Number of redeemable units outstanding	5	2,145.100	806.393
Net assets attributable to holders of redeemable units per unit	\$	940	\$ 955

Unfunded committed capital

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[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2021 PRIVATE EQUITY FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

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

Revenue	NOTES	2022	2021
Interest income		\$ 2	\$ —
Other income		1,047	4,703
Foreign exchange loss		—	(93)
Change in fair value of investments:			
Net realized gain (loss)		3,061	(493)
Net change in unrealized appreciation		78,469	103,537
Total revenue		82,579	107,654
Expenses			
BCI cost recoveries	4	10,891	26,251
Administrative fees		60	31
Pursuit costs		5,293	5,060
Total operating expenses		16,244	31,342
Increase in net assets attributable to holders of redeemable units before distributions		66,335	76,312
Distributions to holders of redeemable units		—	(10)
Increase in net assets attributable to holders of redeemable units		\$ 66,335	\$ 76,302

2021 PRIVATE EQUITY 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 period	\$ 770,076	\$ —
Increase in net assets attributable to holders of redeemable units	66,335	76,302
Redeemable unit transactions:		
Proceeds from units issued	1,235,514	708,834
Reinvestment of distributions	—	10
Amounts paid for units redeemed	(56,409)	(15,070)
Net increase from redeemable unit transactions	1,179,105	693,774
Balance, end of period	\$ 2,015,516	\$ 770,076

2021 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

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

Operating activities	2022	2021
Increase in net assets attributable to holders of redeemable units	\$ 66,335	\$ 76,302
Adjustments for:		
Foreign exchange loss	—	93
Net realized (gain) loss from investments	(3,061)	493
Net change in unrealized appreciation of investments	(78,469)	(103,537)
Non cash distributions	—	10
BCI cost recoveries payable	(2,693)	2,900
Other accounts payable	(217)	246
Net purchase of investments	(1,161,000)	(670,178)
	(1,179,105)	(693,671)
Financing activities		
Proceeds from issuance of redeemable units	1,235,514	708,834
Payments on redemption of redeemable units	(56,409)	(15,070)
	1,179,105	693,764
Net increase in cash	—	93
Effect of exchange rate changes on cash	—	(93)
Cash, beginning and end of period	\$ —	\$ —

2021 PRIVATE EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2022

	2022		2021	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 2,015,727	\$ 1,833,722	\$ 773,201	\$ 669,665
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	11	11	8	8
Fund ST3	14	13	13	12
	25	24	21	20
Total Investments	\$ 2,015,752	\$ 1,833,746	\$ 773,222	\$ 669,685

¹ The private equity investments are held through private corporations.

2021 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2021 Private Equity Fund.

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

	2022		2021	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 1,190,942	59.1 %	476,850	61.7
Direct private equity investments	824,744	40.9	296,328	38.3
BCI money market funds	41	0.0	23	0.0
Total	\$ 2,015,727	100.0 %	\$ 773,201	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

As 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. The table includes foreign currency contracts.

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	(176)	0.0	—	0.0
Euro	462,272	22.9	167,620	21.8
United States Dollar	1,553,619	77.1	606,032	78.7
Net foreign currency exposure	\$ 2,015,715	100.0 %	\$ 773,652	100.5 %

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

2021 PRIVATE EQUITY FUND

exposure to currency risk through its underlying investments in unlisted private equity investee funds. Such exposure may include currencies not listed in the table above as these investments may be operating in jurisdictions that utilize other currencies.

As at December 31, 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 \$20,157 (2021 - \$7,737), 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.

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

CURRENCY	2022	2021
Australian Dollar	\$ 183,772	156,858
Euro	866,481	856,369
United States Dollar	2,286,416	2,993,903
Net foreign currency exposure through unfunded capital commitments	\$ 3,336,669	\$ 4,007,130

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 \$33,367 (2021 - \$40,071). 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.

2021 PRIVATE EQUITY FUND

Other Price Risk

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

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

INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Discretionary	\$ 180,512	9.0 %	\$ 179,919	23.2 %
Financials	561,050	27.8	63,339	8.2
Industrials	83,182	4.1	53,070	6.9
	824,744	40.9	296,328	38.3
Total Unlisted Private Equity Investee Funds in diversified industries	1,190,942	59.1	476,850	61.7
Total	\$ 2,015,686	100.0 %	\$ 773,178	100.0 %

The Fund's direct private 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 Investments				
Asia	\$ 180,512	9.0 %	\$ 179,907	23.3 %
Europe	12,559	0.6	7,097	0.9
North America	631,673	31.3	109,324	14.1
	824,744	40.9	296,328	38.3
Total Unlisted Private Equity Investee Funds diversified globally	1,190,942	59.1	476,850	61.7
Total	\$ 2,015,686	100.0 %	\$ 773,178	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 \$201,575 (2021 - \$77,322), representing 10.0% (2021 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2021 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2022			2021		
	Level 1 (Quoted Price in Active Market)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	—	1,190,942	1,190,942	—	476,850	476,850
Direct private equity investments	—	824,744	824,744	—	296,328	296,328
BCI money market funds	66	—	66	44	—	44
Total	\$ 66	\$ 2,015,686	\$ 2,015,752	\$ 44	\$ 773,178	\$ 773,222

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 296,328	\$ 476,850	\$ 773,178
Total gains recognized in profit or loss	59,613	21,333	80,946
Purchases	468,803	759,967	1,228,770
Sales	—	(67,208)	(67,208)
Closing balance, end of year	\$ 824,744	\$ 1,190,942	\$ 2,015,686
Total unrealized gains for the period included in profit or loss related to level 3 investments held at the reporting date	\$ 59,613	\$ 20,599	\$ 80,212

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of period	\$ —	\$ —	\$ —
Total gains recognized in profit or loss	50,570	48,551	99,121
Purchases	245,758	446,113	691,871
Sales	—	(17,814)	(17,814)
Closing balance, end of period	\$ 296,328	\$ 476,850	\$ 773,178
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 50,570	\$ 52,079	\$ 102,649

2021 PRIVATE EQUITY FUND

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:

2022						
	Fair Value	Valuation Technique	Unobservable Input	Amount / Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 644,232	Net Asset Value	Net Asset Value	\$ 644,232	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 180,512	Market approach	EBITDA multiple	6.5x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,053,927	Net Asset Value	Net Asset Value	\$ 1,053,927	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 137,015	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 137,015	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment 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	\$ 116,577	Net Asset Value	Net Asset Value	\$ 116,577	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 179,751	Market approach	EBITDA multiple	6.0x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 418,902	Net Asset Value	Net Asset Value	\$ 418,902	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 57,948	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 57,948	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Adjusted Net Asset Value:

Represents the adjusted net asset value of direct private equity investments. BCI management values these investments primarily based on the latest available financial information provided by their

2021 PRIVATE EQUITY FUND

general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

EBITDA multiple:

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

	2022		2021	
Favourable	\$	201,569	\$	77,318
Unfavourable		(201,569)		(77,318)

2021 PRIVATE EQUITY FUND

Involvement with Structured Entities

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

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

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

Entity	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	\$ 66	2	\$ 5,303,907	\$ 45
Unlisted private equity investee funds administered by third party managers	24	20,943,962	1,190,942	13	5,853,361	476,850

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.

2022 PRIVATE EQUITY 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		\$ 1,654,494	\$ 20
Total assets		1,654,494	20
Liabilities			
BCI cost recoveries payable	4	5,589	—
Other accounts payable		88	—
		5,677	—
Net assets attributable to holders of redeemable units		\$ 1,648,817	\$ 20
Number of redeemable units outstanding	5	1,657.880	0.020
Net assets attributable to holders of redeemable units per unit		\$ 995	\$ 1,000

Unfunded committed capital

6

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2022 PRIVATE EQUITY FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

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

Revenue	NOTES	2022	2021
Change in fair value of investments:			
Net realized gain		\$ 1,561	\$ —
Net change in unrealized appreciation		20,196	—
Total revenue		21,757	—
Expenses			
BCI cost recoveries	4	38,774	—
Administrative fees		33	—
Pursuit costs		2,648	—
Total operating expenses		41,455	—
Decrease in net assets attributable to holders of redeemable units		\$ (19,698)	\$ —

2022 PRIVATE EQUITY 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 period	\$ 20	\$ —
Decrease in net assets attributable to holders of redeemable units	(19,698)	—
Redeemable unit transactions:		
Proceeds from units issued	1,709,971	20
Amounts paid for units redeemed	(41,476)	—
Net increase from redeemable unit transactions	1,668,495	20
Balance, end of period	\$ 1,648,817	\$ 20

2022 PRIVATE EQUITY 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	\$ (19,698)	\$ —
Net realized gain from investments	(1,561)	—
Net change in unrealized appreciation of investments	(20,196)	—
BCI cost recoveries payable	5,589	—
Other accounts payable	88	—
Net purchase of investments	(1,632,717)	(20)
	(1,668,495)	(20)
Financing activities		
Proceeds from issuance of redeemable units	1,709,971	20
Payments on redemption of redeemable units	(41,476)	—
	1,668,495	20
Cash, beginning and end of period	\$ —	\$ —

2022 PRIVATE EQUITY 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	\$ 1,654,483	\$ 1,634,287	\$ 9	\$ 9
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	11	11	11	11
Total Investments	\$ 1,654,494	\$ 1,634,298	\$ 20	\$ 20

¹ The private equity investments are held through private corporations.

2022 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2022 Private Equity Fund.

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

	2022		2021	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 377,304	22.8 %	\$ —	0.0 %
Direct private equity investments	1,277,099	77.2	—	0.0
BCI money market funds	80	0.0	9	100.0
Total	\$ 1,654,483	100.0 %	\$ 9	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

As 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. The table includes foreign currency contracts.

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
Euro	\$ 7,802	0.5 %	—	0.0
United States Dollar	1,646,612	99.9	—	0.0
Net foreign currency exposure	\$ 1,654,414	100.4 %	\$ —	0.0 %

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its underlying investments in unlisted private equity investee funds. Such

2022 PRIVATE EQUITY FUND

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 \$16,544 (2021 - nil) representing 1.0% (2021 - 0.0%) of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2022		2021	
British Pound Sterling	\$	128,551	\$	—
Euro		645,563		428,759
United States Dollar		4,775,834		708,107
Net foreign currency exposure through unfunded capital commitments	\$	5,549,948	\$	1,136,866

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 \$55,499 (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 Fund's underlying investments include shares and other securities of investee companies which range from start-up companies to mature companies. Other price risk is moderated through diversification across various industry sectors, geographic regions and the maturity of the underlying investees.

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

INDUSTRY SECTOR	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Discretionary	\$ 601,786	36.3 %	\$ —	0.0
Financials	52,611	3.2	—	0.0
Industrials	80,410	4.9	—	0.0
Information Technology	503,291	30.4	—	0.0
Materials	39,001	2.4	—	0.0
	1,277,099	77.2	—	0.0
Total Unlisted Private Equity Investee Funds in diversified industries	377,304	22.8	—	0.0
Total	\$ 1,654,403	100.0 %	\$ —	0.0 %

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

2022 PRIVATE EQUITY FUND

GEOGRAPHIC REGION	2022		2021	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Asia	\$ 172,023	10.4 %	\$ —	0.0
North America	1,105,076	66.8	—	0.0
	1,277,099	77.2	—	0.0
Total Unlisted Private Equity Investee Funds diversified globally	377,304	22.8	—	0.0
Total	\$ 1,654,403	100.0 %	\$ —	0.0 %

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 \$165,449 (2021 - \$2), representing 10.0% (2021 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2022 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	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	\$ —	\$ —	\$ 377,304	\$ 377,304	\$ —	\$ —	\$ —	\$ —
Direct private equity investments	—	—	1,277,099	1,277,099	—	—	—	—
BCI money market funds	91	—	—	91	20	—	—	20
Total	\$ 91	\$ —	\$ 1,654,403	\$ 1,654,494	\$ 20	\$ —	\$ —	\$ 20

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		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ —	\$ —	\$ —
Total gains (losses) recognized in profit or loss	28,897	(8,231)	20,666
Purchases	1,252,670	424,075	1,676,745
Sales	(4,468)	(38,540)	(43,008)
Closing balance, end of year	\$ 1,277,099	\$ 377,304	\$ 1,654,403
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 28,654	\$ (15,057)	\$ 13,597

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

2022 PRIVATE EQUITY FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2022						
	Fair Value	Valuation Technique	Unobservable Input	Amount / Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,277,099	Net Asset Value	Net Asset Value	\$ 1,277,099	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 377,304	Net Asset Value	Net Asset Value	\$ 377,304	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
2021						
Direct Private Equity Investments	\$ —	Net Asset Value	Net Asset Value	\$ —	N/A	
Unlisted Private Equity Investee Funds	\$ —	Net Asset Value	Net Asset Value	\$ —	N/A	

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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	\$ 165,440	\$ —
Unfavourable	(165,440)	—

2022 PRIVATE EQUITY FUND

Involvement with Structured Entities

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

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

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

Entity	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	\$ 91	1	\$ 1,596,948	\$ 20
Unlisted private equity investee funds administered by third party managers	11	\$ 5,865,973	\$ 377,304	—	\$ —	\$ —

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.

2022 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

The Fund also holds, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Fund measures these investments at fair value through profit or loss. The tables below set out interests held by the Fund in these unconsolidated subsidiaries and associates as at December 31:

2022							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Authority Brands	Consumer Discretionary	Common shares	Associate	U.S.	U.S.	19.8 %	19.8 %
Honour Lane Shipping	Industrials	Common shares	Associate	Asia	China	20.7 %	20.7 %
Veracode	Information Technology	Limited partnership interest	Associate	U.S.	U.S.	18.0 %	18.0 %

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.

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	Pooled Investment Portfolios	Dates Established
2016 Private Placement Fund	January 11, 2016	2020 Private Equity Fund	January 21, 2020
2018 Private Equity Fund	February 5, 2018	2021 Private Equity Fund	February 1, 2021
2019 Private Equity Fund	January 14, 2019	2022 Private Equity Fund	December 29, 2021

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, 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
Redeemable units	FVTPL
Cash	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

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) 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.

(h) New standards and interpretations not yet adopted

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

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.

Guarantees

On June 29, 2021, Greenheart Gas Shipco I LLC, an associate of Greenheart Gas LLC which is an associate of the 2018 Private Equity Fund, entered into a sale and charter vessel financing arrangement. As part of this financing, 2018 Private Equity Fund, Hayfin Special Opportunities Fund II, IMCPE 2018 Inc., IMCPE 2018-2 Inc., and Greenheart Tankers Invest LLC (collectively, "the Contributors") entered into an agreement to fund any shortfall in charter hire payments, up to a maximum of US\$28 million, until December 31, 2023. The 2018 Private Equity Fund is jointly and severally liable for the obligations of the Contributors in connection with the charter arrangements.

The 2016 Private Placement Fund has a limited partnership investment in Hayfin Special Opportunities Fund II, which is managed by Hayfin Capital Holdings Limited as the general partner. Hayfin Capital Holdings Limited is also a subsidiary of the 2016 Private Placement Fund. IMCPE 2018 Inc. and IMCPE 2018-2 Inc. are private corporations held by 2018 Private Equity Fund, which in turn hold interests in Greenheart Gas LLC, which in turn holds an interest in Greenheart Gas Shipco I LLC.

5. REDEEMABLE UNITS

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

	2016 PRIVATE PLACEMENT FUND		2018 PRIVATE EQUITY FUND		2019 PRIVATE EQUITY FUND	
	2022	2021	2022	2021	2022	2021
Outstanding, beginning of period	5,038.800	6,323.835	6,725.629	6,110.113	689,698,932.140	477,259,071.230
Issued for cash	83.759	160.286	700.503	1,716.195	60,011,941.556	232,302,308.820
Issued on reinvestment of distributions	481.106	557.255	130.359	245.808	107.936	—
Consolidation of units	(481.106)	(557.255)	(130.359)	(245.808)	(742,155,802.507)	—
Redeemed	(986.859)	(1,445.321)	(197.842)	(1,100.679)	(7,547,385.665)	(19,862,447.910)
Outstanding, end of period	4,135.700	5,038.800	7,228.290	6,725.629	7,793.460	689,698,932.140

	2020 PRIVATE EQUITY FUND		2021 PRIVATE EQUITY FUND		2022 PRIVATE EQUITY FUND	
	2022	2021	2022	2021	2022	2021
Outstanding, beginning of period	423.358	206.730	806.393	—	0.020	—
Issued for cash	98.128	222.063	1,402.291	824.476	1,698.540	0.020
Issued on reinvestment of distributions	5.932	—	—	—	—	—
Consolidation of units	(5.932)	—	—	—	—	—
Redeemed	(69.662)	(5.435)	(63.584)	(18.083)	(40.680)	—
Outstanding, end of period	451.824	423.358	2,145.100	806.393	1,657.880	0.020

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
2016 Private Placement Fund	738,961	724,308
2018 Private Equity Fund	712,397	1,010,950
2019 Private Equity Fund	1,234,795	1,703,056
2020 Private Equity Fund	1,223,136	1,136,866
2021 Private Equity Fund	3,336,669	4,007,130
2022 Private Equity Fund	5,549,948	—

7. FINANCIAL RISK MANAGEMENT

(a) Risk management framework

The Private Equity Funds invest in privately negotiated transactions involving private and, on occasion, public companies. Investments consist primarily of debt, equity or hybrid securities of investee companies. BCI typically invests in private placements through limited partnerships managed by external fund managers. On occasion, BCI invests directly in companies alongside investments made by its external managers (known as co-investments) or independently. The partnerships invest in domestic and international companies at various stages of development, and are related to early-stage or late-stage venture capital, buy-outs, strategic opportunities, or senior or subordinated debt financing.

The investment objectives of the Private Equity Funds are as follows:

	Benchmark	Performance Objectives
Private equity fund investments	Morgan Stanley Capital International (MSCI) All Country World Net Index plus 200 basis points ("bps")	To exceed the benchmark return by 86 bps per annum, net of all investment expenses incurred.
Direct/Co-investments	Cost of capital of at least 8.8%	To exceed the benchmark return by 149 bps per annum, net of all investment expenses incurred

The Private Equity Program provides opportunities to achieve returns in excess of expected public market returns and to enhance risk-return performance through investments in a diversified range of domestic and foreign companies. The long-term diversification targets are based on geographic region and investment purpose (venture capital, growth expansion, buyouts, strategic opportunities and other).

Geographic Targets	Range
Canada	0% to 20%
United States	40% to 70%
Europe	10% to 45%
Asia	5% to 30%
Emerging Markets	0% to 15%

Investment Purpose Targets	Range
Venture Capital/Growth Expansion	0% to 10%
Buyouts	55% to 90%
Strategic Opportunities	0% to 15%
Mezzanine	0% to 15%
Other	0% to 15%

The geographic ranges relate to the investment focus rather than the locations of the fund managers. The composition of the investments within individual Private Placement Vintage Funds may deviate significantly from these targets, so unitholders may need to invest in successive vintage years to achieve the above long-term diversification targets.

The Funds may hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios;
- publicly traded common stock or fixed income securities;
- derivative instruments, for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management, with Chief Investment Officer (CIO) approval;
- units of BCI's Canadian Money Market Fund (ST1), Canadian Money Market Fund (ST2), U.S. Dollar Money Market Fund (ST3), and U.S. Dollar Money Market Fund (ST4); and
- units in BCI's Floating Rate Funds.

The following restriction applies to the Funds' investing activities:

- direct investments in one particular company may not exceed 30% of the Private Placement Program's allocation to direct investments (calculated based on commitment values);
- the Funds may not sell short or borrow securities;
- publicly traded securities are eligible to be lent under BCI's security lending program;
- leverage is permitted in the following circumstances:
 - Short-term – borrowing is permitted for the purpose of bridge financing until a Program Opening date within one year;
 - Longer-term – internal financing transactions only and in accordance with BCI's internal frameworks;
- 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.

(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, cash and other receivables due to the Funds. The carrying value of these financial instruments as recorded in the Statements of Financial Position reflects the Funds' maximum exposure to credit risk.

To avoid undue credit risk, the Funds have established specific investment criteria, such as minimum credit ratings for investees and counterparties. Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving derivative contracts and securities lending. In order to minimize counterparty risk, counterparties are required to provide adequate collateral and meet minimum credit rating requirements. BCI management frequently monitors the credit rating of its counterparties as determined by recognized credit rating agencies. The Funds' cash are not subject to significant credit risk as exposure to credit risk is limited by holdings its cash with high credit quality financial institutions.

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.

(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. Effective for annual periods beginning on or after January 1, 2021, the IASB published IBOR Reform-Phase 2 amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts* and IFRS 16 *Leases* ("IBOR Reform-Phase 2"). 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 debt investments 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 guidance on the transition to relevant stakeholders, and promoting awareness of changes to relevant stakeholders. To date, BCI has

successfully adapted internal systems and processes and continues to monitor market and regulatory development 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.

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

(ii) Currency risk

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

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

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

(iii) Other price risk

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

All financial instruments are subject to other price risk and a potential loss of capital. The maximum risk is determined by the market value of the financial instruments. The Funds may not sell short, borrow securities, or purchase securities on margin, which limits the potential loss of capital. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk.

Other market price risk arises from the Funds' investments in 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, other accounts payable, and BCI cost recoveries payable approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

9. TAXES

Net cumulative capital losses and non-capital losses for the Funds with tax losses are as follows as of December 31, 2022:

Pooled Investment Portfolios	Net Capital Losses	Non Capital Losses
2016 Private Placement Fund	13	—
2018 Private Equity Fund	104	—
2019 Private Equity Fund	7,993	—
2020 Private Equity Fund	89	—
2021 Private Equity Fund	—	39,365
2022 Private Equity Fund	—	39,894

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income. The Funds' non-capital losses expire as follows:

Pooled Investment Portfolios	Year of Expiry						Total
	2037	2038	2039	2040	2041	2042	
2021 Private Equity Fund	—	—	—	—	26,895	12,470	39,365
2022 Private Equity Fund	—	—	—	—	—	39,894	39,894

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
2016 Private Placement Fund	1,117
2018 Private Equity Fund	2,349
2019 Private Equity Fund	1,270
2020 Private Equity Fund	1,270

11. SUBSEQUENT EVENT

In April 2023, BCI initiated the process to sell 2016 Private Placement Fund's holdings in certain unlisted private equity investee funds totaling \$730,533 on the secondary market. The estimated financial impact is a decrease in fair value of the investments for \$157,099 subsequent to December 31, 2022.

**Victoria, B.C. (Head Office)**

750 Pandora Ave, Victoria, BC
V8W 0E4 CANADA

Vancouver, B.C.

1110-400 Burrard St, Vancouver, BC
V6C 3A6 CANADA

New York, U.S.

16B-767 Fifth Ave, New York, NY
10153 USA

London, U.K.

35 Portman Square, London
W1H 6LR UNITED KINGDOM

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