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BCI

PRIVATE EQUITY

Pooled Fund Financial Statements

BCI AUDIT COMMITTEE

DECEMBER 2021

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

PRIVATE EQUITY - POOLED INVESTMENT PORTFOLIOS

GROUP OF FUNDS

Private Placement Fund 1997
2001 Private Placement Fund
2003 Private Placement Fund
2004 Private Placement Fund
2005 Private Placement Fund
2006 Private Placement Fund
2007 Private Placement Fund
2008 Private Placement Fund
2009 Private Placement Fund
2010 Private Placement Fund
2011 Private Placement Fund
2012 Private Placement Fund
2013 Private Placement Fund
2014 Private Placement Fund
2015 Private Placement Fund
2016 Private Placement Fund
2017 Private Equity Fund
2018 Private Equity Fund
2019 Private Equity Fund
2020 Private Equity Fund
2021 Private Equity Fund

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021:

Private Placement Fund 1997	2011 Private Placement Fund	2018 Private Equity Fund
2001 Private Placement Fund	2010 Private Placement Fund	2019 Private Equity Fund
2003 Private Placement Fund	2012 Private Placement Fund	2020 Private Equity Fund
2004 Private Placement Fund	2013 Private Placement Fund	2021 Private Equity Fund
2005 Private Placement Fund	2014 Private Placement Fund	
2006 Private Placement Fund	2015 Private Placement Fund	
2007 Private Placement Fund	2016 Private Placement Fund	
2008 Private Placement Fund	2017 Private Equity Fund	
2009 Private Placement 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 Fund financial statements is audited by KPMG LLP in accordance with Canadian generally accepted auditing standards. KPMG LLP has performed such tests and other procedures as they considered necessary to express an opinion on the Fund financial statements.

[S] Gordon J. Fyfe

Gordon J. Fyfe

Chief Executive Officer / Chief Investment Officer

[S] Umar Malik

Umar Malik

Senior Vice President, Finance & CFO



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

INDEPENDENT AUDITORS' REPORT

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

Private Placement Fund 1997	2012 Private Placement Fund
2001 Private Placement Fund	2013 Private Placement Fund
2003 Private Placement Fund	2014 Private Placement Fund
2004 Private Placement Fund	2015 Private Placement Fund
2005 Private Placement Fund	2016 Private Placement Fund
2006 Private Placement Fund	2017 Private Equity Fund
2007 Private Placement Fund	2018 Private Equity Fund
2008 Private Placement Fund	2019 Private Equity Fund
2009 Private Placement Fund	2020 Private Equity Fund
2010 Private Placement Fund	2021 Private Equity Fund
2011 Private Placement 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, 2021
- the statements of comprehensive income (loss) for the year then ended (period from inception on February 1, 2021 to December 31, 2021 only for the 2021 Private Equity Fund)
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended (period from inception on February 1, 2021 to December 31, 2021 only for the 2021 Private Equity Fund)
- the statements of cash flows for the year then ended (period from inception on February 1, 2021 to December 31, 2021 only for the 2021 Private Equity Fund)
- and notes to the financial statements, including a summary of significant accounting policies.

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



In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2021, and their financial performance and their cash flows for the year then ended (period from inception on February 1, 2021 to December 31, 2021 only for the 2021 Private Equity Fund) in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditors’ Responsibilities for the Audit of the Financial Statements***” section of our auditors’ report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Manager and Those Charged with Governance for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Funds’ abilities to continue as going concerns, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds’ financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.



We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' abilities to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Funds to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Vancouver, Canada
July 12, 2022

PRIVATE PLACEMENT FUND 1997**Statement of Financial Position**

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 328
Investments		1,121	1,727
Total assets		1,121	2,055
Liabilities			
BCI cost recoveries payable	4	6	166
Other accounts payable		24	22
Payable for distribution		—	328
		30	516
Net assets attributable to holders of redeemable units		\$ 1,091	\$ 1,539
Number of redeemable units outstanding	5	0.453	0.616
Net assets attributable to holders of redeemable units per unit		\$ 2,408	\$ 2,498
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

PRIVATE PLACEMENT FUND 1997**Statement of Comprehensive Loss**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 163	\$ —
Change in fair value of investments:			
Net realized gain		239	327
Net change in unrealized appreciation		(359)	(563)
Total revenue		43	(236)
Expenses			
BCI cost recoveries	4	70	79
Administrative fees		35	34
Total operating expenses		105	113
Decrease in net assets attributable to holders of redeemable units before distributions		(62)	(349)
Distributions to holders of redeemable units		—	(328)
Decrease in net assets attributable to holders of redeemable units		\$ (62)	\$ (677)

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 1,539	\$ 2,336
Decrease in net assets attributable to holders of redeemable units	(62)	(677)
Redeemable unit transactions:		
Proceeds from units issued	105	105
Reinvestment of distributions	—	328
Amounts paid for units redeemed	(491)	(553)
Net decrease from redeemable unit transactions	(386)	(120)
Balance, end of year	\$ 1,091	\$ 1,539

PRIVATE PLACEMENT FUND 1997**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Decrease in net assets attributable to holders of redeemable units	\$ (62)	\$ (677)
Adjustments for:		
Net realized gain from investments	(239)	(327)
Net change in unrealized appreciation of investments	359	563
Non cash distributions	—	328
BCI cost recoveries payable	(160)	7
Other accounts payable	2	1
Net sale of investments	486	553
	386	448
Financing activities		
Proceeds from issuance of redeemable units	105	105
Payments on redemption of redeemable units	(491)	(553)
	(386)	(448)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

PRIVATE PLACEMENT FUND 1997**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,111	\$ 570	\$ 1,717	\$ 817
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 1,121	\$ 580	\$ 1,727	\$ 827

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

PRIVATE PLACEMENT FUND 1997

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 1,092	98.3 %	\$ 1,700	99.0 %
BCI money market funds	19	1.7	17	1.0
Total	\$ 1,111	100.0 %	\$ 1,717	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$1,105 CAD which represents 101.3% of the net asset value of the Fund (2020 - \$1,713 CAD which represented 111.3% of the net asset value of the Fund).

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

As at December 31, 2021, 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 \$11 (2020 - \$17), representing 1.0% of the Fund's net assets (2020 - 1.1%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2021, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$12,158 (2020 - \$14,594). As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$122 (2020 - \$146).

PRIVATE PLACEMENT FUND 1997

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

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

Other Price Risk

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

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

As at December 31, 2021, 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 \$112 (2020 - \$173), representing 10.3% (2020 - 11.2%) of the Fund's net assets attributable to holders of redeemable units.

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

PRIVATE PLACEMENT FUND 1997

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 1,092	\$ 1,092	\$ —	\$ —	\$ 1,700	\$ 1,700
BCI money market funds	29	—	—	29	27	—	—	27
Total	\$ 29	\$ —	\$ 1,092	\$ 1,121	\$ 27	\$ —	\$ 1,700	\$ 1,727

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		2020	
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 1,700	\$ 2,483		
Total losses recognized in profit or loss	(116)	(234)		
Sales	(492)	(549)		
Closing balance, end of year	\$ 1,092	\$ 1,700		
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (5)	\$ (234)		

During 2021 and 2020, 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:

	2021					Sensitivity to Change in Significant Unobservable Input
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range		
Unlisted Private Equity Investee Funds	\$ 1,092	Net Asset Value	Net Asset Value	\$ 1,092		The estimated fair value would increase (decrease) if the net asset value was higher (lower).

PRIVATE PLACEMENT FUND 1997

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

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

	2021	2020
Favourable	\$ 109	\$ 170
Unfavourable	(109)	(170)

PRIVATE PLACEMENT FUND 1997

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 29	2	\$ 2,904,346	\$ 27
Unlisted private equity investee funds administered by third party managers	2	21,474	1,092	5	27,260	1,700

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2001 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Investments		\$ 313	\$ 546
Total assets		313	546
Liabilities			
BCI cost recoveries payable	4	3	76
Other accounts payable		24	21
		27	97
Net assets attributable to holders of redeemable units		\$ 286	\$ 449
Number of redeemable units outstanding	5	0.146	0.199
Net assets attributable to holders of redeemable units per unit		\$ 1,959	\$ 2,256
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe

Chief Executive Officer

Chief Investment Officer

2001 PRIVATE PLACEMENT FUND**Statement of Comprehensive Loss**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 75	\$ —
Change in fair value of investments:			
Net realized gain (loss)		121	(1)
Net change in unrealized appreciation		(187)	(25)
Total revenue		9	(26)
Expenses			
BCI cost recoveries	4	35	39
Administrative fees		35	34
Total operating expenses		70	73
Decrease in net assets attributable to holders of redeemable units		\$ (61)	\$ (99)

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 449	\$ 473
Decrease in net assets attributable to holders of redeemable units	(61)	(99)
Redeemable unit transactions:		
Proceeds from units issued	69	75
Amounts paid for units redeemed	(171)	—
Net increase (decrease) from redeemable unit transactions	(102)	75
Balance, end of year	\$ 286	\$ 449

2001 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Decrease in net assets attributable to holders of redeemable units	\$ (61)	\$ (99)
Net realized (gain) loss from investments	(121)	1
Net change in unrealized appreciation of investments	187	25
Net sale (purchase) of investments	167	(5)
BCI cost recoveries payable	(73)	(18)
Other accounts payable	3	21
	102	(75)
Financing activities		
Proceeds from issuance of redeemable units	69	75
Payments on redemption of redeemable units	(171)	—
	(102)	75
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2001 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 304	\$ 90	\$ 539	\$ 138
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	9	9	7	7
	9	9	7	7
Total Investments	\$ 313	\$ 99	\$ 546	\$ 145

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

2001 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 284	93.4 %	\$ 520	96.5 %
BCI money market funds	20	6.6	19	3.5
Total	\$ 304	100.0 %	\$ 539	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$298 CAD which represents 104.2% of the net asset value of the Fund (2020 - \$533 CAD which represented 118.7% of the net asset value of the Fund).

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

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$3 (2020 - \$5), representing 1.0% of the Fund's net assets (2020 - 1.1%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

2001 PRIVATE PLACEMENT FUND

As at December 31, 2021, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$411 (2020 - \$414). As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$4 (2020 - \$4). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

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

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

As at December 31, 2021, 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 \$31 (2020 - \$55), representing 10.8% (2020 - 12.2%) of the Fund's net assets attributable to holders of redeemable units.

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

2001 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	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	\$ —	\$ —	\$ 284	\$ 284	\$ —	\$ —	\$ 520	\$ 520
BCI money market funds	29	—	—	29	26	—	—	26
Total	\$ 29	\$ —	\$ 284	\$ 313	\$ 26	\$ —	\$ 520	\$ 546

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy. The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2021		2020	
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 520	\$ 543	\$ 520	\$ 543
Total losses recognized in profit or loss	(65)	(23)	(65)	(23)
Sales	(171)	—	(171)	—
Closing balance, end of year	\$ 284	\$ 520	\$ 284	\$ 520
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (20)	\$ (23)	\$ (20)	\$ (23)

During 2021 and 2020, 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:

	2021				
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 284	Net Asset Value	Net Asset Value	\$ 284	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

	2021	2020
Favourable	\$ 28	\$ 52
Unfavourable	(28)	(52)

2001 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 29	2	\$ 2,904,346	\$ 26
Unlisted private equity investee funds administered by third party managers	1	7,116	284	2	17,265	520

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2003 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Investments		\$ 1,626	\$ 2,371
Total assets		1,626	2,371
Liabilities			
BCI cost recoveries payable	4	5	165
Other accounts payable		24	21
		29	186
Net assets attributable to holders of redeemable units		\$ 1,597	\$ 2,185
Number of redeemable units outstanding	5	1.232	2.664
Net assets attributable to holders of redeemable units per unit		\$ 1,296	\$ 820
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2003 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 162	\$ —
Change in fair value of investments:			
Net realized gain		997	802
Net change in unrealized appreciation		153	(370)
Total revenue		1,312	432
Expenses			
BCI cost recoveries	4	69	78
Administrative fees		34	34
Total operating expenses		103	112
Increase in net assets attributable to holders of redeemable units before distributions		1,209	320
Distributions to holders of redeemable units:		(905)	(689)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 304	\$ (369)

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 2,185	\$ 2,889
Increase (decrease) in net assets attributable to holders of redeemable units	304	(369)
Redeemable unit transactions:		
Proceeds from units issued	102	100
Reinvestment of distributions	905	689
Amounts paid for units redeemed	(1,899)	(1,124)
Net decrease from redeemable unit transactions	(892)	(335)
Balance, end of year	\$ 1,597	\$ 2,185

2003 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 304	\$ (369)
Adjustments for:		
Net realized gain from investments	(997)	(802)
Net change in unrealized appreciation of investments	(153)	370
Non cash distributions	905	689
Net sale of investments	1,895	1,129
BCI cost recoveries payable	(160)	7
Other accounts payable	3	—
	1,797	1,024
Financing activities		
Proceeds from issuance of redeemable units	102	100
Payments on redemption of redeemable units	(1,899)	(1,124)
	(1,797)	(1,024)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2003 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,616	\$ 722	\$ 2,366	\$ 1,625
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	5	5
	10	10	5	5
Total Investments	\$ 1,626	\$ 732	\$ 2,371	\$ 1,630

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

2003 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ —	— %	\$ 899	38.0 %
Direct private equity investments	1,594	98.6	1,409	59.6
BCI money market funds	22	1.4	58	2.4
Total	\$ 1,616	100.0 %	\$ 2,366	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, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in due time to meet its obligations when they become due. However, the Chief Investment Officer may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements.

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

Interest Rate Risk

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

Currency Risk

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

Other Price Risk

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

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

2003 PRIVATE PLACEMENT FUND

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Information Technology	\$ 1,594	100.0 %	\$ 1,409	61.0 %
	1,594	100.0	1,409	61.0
Total Unlisted Private Equity Investee Funds in diversified industries	—	—	899	39.0
Total	\$ 1,594	100.0 %	\$ 2,308	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Canada	\$ 1,594	100.0	\$ 1,409	61.0
	1,594	100.0	1,409	61.0
Total Unlisted Private Equity Investee Funds diversified globally	—	—	899	39.0
Total	\$ 1,594	100.0 %	\$ 2,308	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, 2021, 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 \$163 (2020 - \$237), representing 10.2% (2020 - 10.8%) of the Fund's net assets attributable to holders of redeemable units.

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

2003 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 899	\$ 899
Direct private equity investments	—	—	1,594	1,594	—	—	1,409	1,409
BCI money market funds	32	—	—	32	63	—	—	63
Total	\$ 32	\$ —	\$ 1,594	\$ 1,626	\$ 63	\$ —	\$ 2,308	\$ 2,371

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 1,409	\$ 899	\$ 2,308
Total gains recognized in profit or loss	185	985	1,170
Purchases	—	—	—
Sales	—	(1,884)	(1,884)
Closing balance, end of year	\$ 1,594	\$ —	\$ 1,594
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 185	\$ —	\$ 185

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

During 2021 and 2020, 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:

2021						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,594	Market approach	EBITDA multiple	34.9x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,409	Market Approach	Revenue Multiple	17.2x	N/A	The estimated fair value would increase (decrease) if the revenue multiple was higher (lower).
Unlisted Private Equity Investee Funds	405	Net Asset Value	Net Asset Value	405	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	494	Adjusted Net Asset Value	Adjusted Net Asset Value	494	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

Revenue multiple:

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

EBITDA 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

2003 PRIVATE PLACEMENT FUND

determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Net Asset Value:

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

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

Adjusted Net Asset Value:

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

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

	2021	2020
Favourable	\$ 159	\$ 231
Unfavourable	(159)	(231)

2003 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 32	2	\$ 2,904,346	\$ 63
Unlisted private equity investee funds administered by third party managers	—	—	—	2	2,720	899

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2004 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 4
Investments		718	1,228
Total assets		718	1,232
Liabilities			
BCI cost recoveries payable	4	6	177
Other accounts payable		24	22
Payable for distribution		—	4
		30	203
Net assets attributable to holders of redeemable units		\$ 688	\$ 1,029
Number of redeemable units outstanding	5	1.678	2.211
Net assets attributable to holders of redeemable units per unit		\$ 410	\$ 465
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2004 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 175	\$ —
Change in fair value of investments:			
Net realized gain (loss)		(77)	3
Net change in unrealized appreciation		(160)	(33)
Total loss		(62)	(30)
Expenses			
BCI cost recoveries	4	74	102
Administrative fees		34	34
Total operating expenses		108	136
Decrease in net assets attributable to holders of redeemable units before distributions		(170)	(166)
Distributions to holders of redeemable units		—	(4)
Decrease in net assets attributable to holders of redeemable units		\$ (170)	\$ (170)

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 1,029	\$ 1,194
Decrease in net assets attributable to holders of redeemable units	(170)	(170)
Redeemable unit transactions:		
Proceeds from units issued	103	129
Reinvestment of distributions	—	4
Amounts paid for units redeemed	(274)	(128)
Net increase (decrease) from redeemable unit transactions	(171)	5
Balance, end of year	\$ 688	\$ 1,029

2004 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Decrease in net assets attributable to holders of redeemable units	\$ (170)	\$ (170)
Adjustments for:		
Net realized (gain) loss from investments	77	(3)
Net change in unrealized appreciation of investments	160	33
Non cash distributions	—	4
Net sale of investments	273	128
BCI cost recoveries payable	(171)	6
Other accounts payable	2	1
	171	(1)
Financing activities		
Proceeds from issuance of redeemable units	103	129
Payments on redemption of redeemable units	(274)	(128)
	(171)	1
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2004 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 708	\$ 987	\$ 1,218	\$ 1,337
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 718	\$ 997	\$ 1,228	\$ 1,347

¹ The private equity investments are held through private corporations.

2004 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 498	70.3 %	\$ 1,181	97.0 %
BCI money market funds	210	29.7	37	3.0
Total	\$ 708	100.0 %	\$ 1,218	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$689 CAD which represents 100.1% of the net asset value of the Fund (2020 - \$918 CAD which represented 89.2% of the net asset value of the Fund).

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$7 (2020 - \$9), representing 1.0% of the Fund's net assets (2020 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

Other Price Risk

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

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Accordingly, sensitivity analysis that would measure the impact to

2004 PRIVATE PLACEMENT FUND

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, 2021, 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 \$72 (2020 - \$123), representing 10.5% (2020 - 12.0%) 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.

2004 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	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	\$ —	\$ —	\$ 498	\$ 498	\$ —	\$ —	\$ 1,181	\$ 1,181
BCI money market funds	220	—	—	220	47	—	—	47
Total	\$ 220	\$ —	\$ 498	\$ 718	\$ 47	\$ —	\$ 1,181	\$ 1,228

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		2020	
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 1,181	\$ 1,335		
Total losses recognized in profit or loss	(235)	(24)		
Purchases	24	—		
Sales	(472)	(130)		
Closing balance, end of year	\$ 498	\$ 1,181		
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (125)	\$ (16)		

During 2021 and 2020, there were no significant transfers into or out of Level 3.

2004 PRIVATE PLACEMENT FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 498	Net Asset Value	Net Asset Value	\$ 498	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

	2021	2020
Favourable	\$ 50	\$ 118
Unfavourable	(50)	(118)

2004 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 220	2	\$ 2,904,346	\$ 47
Unlisted private equity investee funds administered by third party managers	—	—	498	4	6,638	1,181

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2005 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 8,121
Investments		4,254	28,893
Total assets		4,254	37,014
Liabilities			
BCI cost recoveries payable	4	11	558
Other accounts payable		24	21
Payable for distribution		—	8,121
		35	8,700
Net assets attributable to holders of redeemable units		\$ 4,219	\$ 28,314
Number of redeemable units outstanding	5	2,592	14,869
Net assets attributable to holders of redeemable units per unit		\$ 1,628	\$ 1,904
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2005 PRIVATE PLACEMENT FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 552	\$ —
Change in fair value of investments:			
Net realized gain		19,216	8,630
Net change in unrealized appreciation		(21,283)	(2,941)
Total revenue		(1,515)	5,689
Expenses			
BCI cost recoveries	4	138	182
Administrative fees		34	34
Total operating expenses		172	216
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		(1,687)	5,473
Distributions to holders of redeemable units		(14,013)	(8,417)
Decrease in net assets attributable to holders of redeemable units		\$ (15,700)	\$ (2,944)

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 28,314	\$ 33,727
Decrease in net assets attributable to holders of redeemable units	(15,700)	(2,944)
Redeemable unit transactions:		
Proceeds from units issued	207	428
Reinvestment of distributions	14,013	8,417
Amounts paid for units redeemed	(22,615)	(11,314)
Net decrease from redeemable unit transactions	(8,395)	(2,469)
Balance, end of year	\$ 4,219	\$ 28,314

2005 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Decrease in net assets attributable to holders of redeemable units	\$ (15,700)	\$ (2,944)
Adjustments for:		
Net realized gain from investments	(19,216)	(8,630)
Net change in unrealized appreciation of investments	21,283	2,941
Non cash distributions	14,013	8,417
BCI cost recoveries payable	(547)	22
Other accounts payable	3	—
Net sale of investments	22,572	11,080
	22,408	10,886
Financing activities		
Proceeds from issuance of redeemable units	207	428
Payments on redemption of redeemable units	(22,615)	(11,314)
	(22,408)	(10,886)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2005 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 4,241	\$ 1,757	\$ 28,881	\$ 5,114
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	9	9
Fund ST3	3	3	3	3
	13	13	12	12
Total Investments	\$ 4,254	\$ 1,770	\$ 28,893	\$ 5,126

¹ The private equity investments are held through private corporations.

2005 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 4,190	98.8 %	\$ 27,810	96.3 %
BCI money market funds	51	1.2	1,071	3.7
Total	\$ 4,241	100.0 %	\$ 28,881	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 99	2.3 %	\$ 91	0.3 %
United States Dollar	4,128	97.8	28,777	101.6
Net foreign currency exposure	\$ 4,227	100.1 %	\$ 28,868	101.9 %

2005 PRIVATE PLACEMENT FUND

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

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$42 (2020 - \$289), representing 1.0% of the Fund's net assets (2020 - 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	2021	2020
Euro	\$ 7,077	\$ 7,680
United States Dollar	11,419	11,675
Net foreign currency exposure through unfunded capital commitments	\$ 18,496	\$ 19,355

As at December 31, 2021, 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 \$185 (2020 - \$194). 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 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, 2021, 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 \$425 (2020 - \$2,889), representing 10.1% (2020 - 10.2%) of the Fund's net assets attributable to holders of redeemable units.

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

2005 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	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	\$ —	\$ —	\$ 4,190	\$ 4,190	\$ —	\$ —	\$ 27,810	\$ 27,810
BCI money market funds	64	—	—	64	1,083	—	—	1,083
Total	\$ 64	\$ —	\$ 4,190	\$ 4,254	\$ 1,083	\$ —	\$ 27,810	\$ 28,893

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021	
	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 27,810	\$ 27,810
Total losses recognized in profit or loss	(2,103)	(2,103)
Purchases	—	—
Sales	(21,517)	(21,517)
Closing balance, end of year	\$ 4,190	\$ 4,190
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (561)	\$ (561)

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

2005 PRIVATE PLACEMENT FUND

During 2021 and 2020, 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:

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 4,190	Net Asset Value	Net Asset Value	\$ 4,190	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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

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.

2005 PRIVATE PLACEMENT FUND

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%.

		2021		2020
Favourable	\$	419	\$	2,781
Unfavourable		(419)		(2,781)

2005 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 64	2	\$ 2,904,346	\$ 1,083
Unlisted private equity investee funds administered by third party managers	3	31,533	4,190	6	410,982	27,810

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2006 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions	\$	—	\$ 14,714
Investments		14,455	93,694
Total assets		14,455	108,408
Liabilities			
BCI cost recoveries payable	4	12	374
Other accounts payable		24	22
Payable for distribution		—	14,714
		36	15,110
Net assets attributable to holders of redeemable units	\$	14,419	\$ 93,298
Number of redeemable units outstanding	5	3.661	24.534
Net assets attributable to holders of redeemable units per unit	\$	3,939	\$ 3,803
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2006 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 368	\$ —
Change in fair value of investments:			
Net realized gain		63,194	15,591
Net change in unrealized appreciation		(60,357)	9,104
Total revenue		3,205	24,695
Expenses			
BCI cost recoveries	4	143	172
Administrative fees		32	35
Total operating expenses		175	207
Increase in net assets attributable to holders of redeemable units before distributions		3,030	24,488
Distributions to holders of redeemable units		(21,716)	(15,384)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (18,686)	\$ 9,104

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 93,298	\$ 91,435
Increase (decrease) in net assets attributable to holders of redeemable units	(18,686)	9,104
Redeemable unit transactions:		
Proceeds from units issued	167	193
Reinvestment of distributions	21,716	15,384
Amounts paid for units redeemed	(82,076)	(22,818)
Net decrease from redeemable unit transactions	(60,193)	(7,241)
Balance, end of year	\$ 14,419	\$ 93,298

2006 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (18,686)	\$ 9,104
Adjustments for:		
Net realized gain from investments	(63,194)	(15,591)
Net change in unrealized appreciation of investments	60,357	(9,104)
Non cash distributions	21,716	15,384
BCI cost recoveries payable	(362)	12
Other accounts payable	2	1
Net sale of investments and derivatives	82,076	22,819
	81,909	22,625
Financing activities		
Proceeds from issuance of redeemable units	167	193
Payments on redemption of redeemable units	(82,076)	(22,818)
	(81,909)	(22,625)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2006 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 14,445	\$ 3,312	\$ 93,684	\$ 22,194
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 14,455	\$ 3,322	\$ 93,694	\$ 22,204

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

2006 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ 7,016	48.6 %	\$ 656	0.7 %
Unlisted private equity investee funds	7,408	51.3	88,667	94.6
Foreign currency contracts, net	—	—	(1)	—
BCI money market funds	21	0.1	4,362	4.7
Total	\$ 14,445	100.0 %	\$ 93,684	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 2,076	14.4 %	\$ 3,998	4.3 %
United States Dollar	12,361	85.7	89,679	96.1
Net foreign currency exposure	\$ 14,437	100.1 %	\$ 93,677	100.4 %

2006 PRIVATE PLACEMENT FUND

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

As at December 31, 2021, 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 \$144 (2020 - \$937), representing 1.0% of the Fund's net assets (2020 - 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	2021	2020
Euro	\$ —	\$ 1,646
United States Dollar	3,835	6,717
Net foreign currency exposure through unfunded capital commitments	\$ 3,835	\$ 8,363

As at December 31, 2021, 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 \$38 (2020 - \$84). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

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

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

As at December 31, 2021, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$1,446 (2020 - \$9,369), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2006 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ 7,016	\$ —	\$ 7,016	\$ —	\$ 656	\$ —	\$ 656
Unlisted private equity investee funds	—	—	7,408	7,408	—	—	88,667	88,667
Foreign currency contracts, net	—	—	—	—	—	(1)	—	(1)
BCI money market funds	31	—	—	31	4,372	—	—	4,372
Total	\$ 31	\$ 7,016	\$ 7,408	\$ 14,455	\$ 4,372	\$ 655	\$ 88,667	\$ 93,694

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		2020	
	Unlisted Private Equity Investee Funds		Unlisted Private Equity Investee Funds	
Opening balance, beginning of year	\$ 88,667	\$	\$ 90,505	\$
Total gains recognized in profit or loss	3,216		24,602	
Purchases	16		—	
Sales	(84,491)		(26,440)	
Closing balance, end of year	\$ 7,408	\$	\$ 88,667	\$
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 752	\$	\$ 23,451	\$

During 2021 and 2020, 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:

2006 PRIVATE PLACEMENT FUND**2021**

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 7,408	Net Asset Value	Net Asset Value	\$ 7,408	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2020

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

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

	2021	2020
Favourable	\$ 741	\$ 8,867
Unfavourable	(741)	(8,867)

2006 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 31	2	\$ 2,904,346	\$ 4,372
Unlisted private equity investee funds administered by third party managers	2	481,239	7,408	6	2,338,321	88,667

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2007 PRIVATE PLACEMENT FUND**Statement of Financial Position**

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 30,742
Investments		17,079	123,159
Total assets		17,079	153,901
Liabilities			
BCI cost recoveries payable	4	27	618
Other accounts payable		24	22
Payable for distribution		—	30,742
		51	31,382
Net assets attributable to holders of redeemable units		\$ 17,028	\$ 122,519
Number of redeemable units outstanding	5	6.579	43.767
Net assets attributable to holders of redeemable units per unit		\$ 2,588	\$ 2,799
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2007 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 604	\$ —
Change in fair value of investments:			
Net realized gain		73,592	31,503
Net change in unrealized appreciation		(77,586)	4,213
Total revenue		(3,390)	35,716
Expenses			
BCI cost recoveries	4	334	393
Administrative fees		30	36
Total operating expenses		364	429
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		(3,754)	35,287
Distributions to holders of redeemable units		(41,231)	(30,742)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (44,985)	\$ 4,545

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 122,519	\$ 135,451
Increase (decrease) in net assets attributable to holders of redeemable units	(44,985)	4,545
Redeemable unit transactions:		
Proceeds from units issued	349	411
Reinvestment of distributions	41,231	30,742
Amounts paid for units redeemed	(102,086)	(48,630)
Net decrease from redeemable unit transactions	(60,506)	(17,477)
Balance, end of year	\$ 17,028	\$ 122,519

2007 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (44,985)	\$ 4,545
Adjustments for:		
Net realized gain from investments	(73,592)	(31,503)
Net change in unrealized appreciation of investments	77,586	(4,213)
Non cash distributions	41,231	30,742
BCI cost recoveries payable	(591)	21
Other accounts payable	2	1
Net sale of investments	102,086	48,626
	101,737	48,219
Financing activities		
Proceeds from issuance of redeemable units	349	411
Payments on redemption of redeemable units	(102,086)	(48,630)
	(101,737)	(48,219)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2007 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 17,069	\$ 7,165	\$ 123,149	\$ 35,659
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 17,079	\$ 7,175	\$ 123,159	\$ 35,669

¹ The private equity investments are held through private corporations.

2007 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 17,027	99.8 %	\$ 120,167	97.6 %
Direct private equity investments	—	—	2,808	2.3
BCI money market funds	42	0.2	174	0.1
Total	\$ 17,069	100.0 %	\$ 123,149	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ —	— %	\$ 2,808	2.3 %
United States Dollar	15,107	88.7	105,213	85.9
Net foreign currency exposure	\$ 15,107	88.7 %	\$ 108,021	88.2 %

2007 PRIVATE PLACEMENT FUND

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

As at December 31, 2021, 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 \$151 (2020 - \$1,080), representing 0.9% of the Fund's net assets (2020 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2021, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$11,229 (2020 - \$23,519). As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$112 (2020 - \$235). 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Industrials	\$ —	— %	\$ 2,808	2.3 %
	—	—	2,808	2.3
Total Unlisted Private Equity Investee Funds in diversified industries	17,027	100.0	120,167	97.7
Total	\$ 17,027	100.0 %	\$ 122,975	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ —	— %	\$ 2,808	2.3 %
	—	—	2,808	2.3
Total Unlisted Private Equity Investee Funds diversified globally	17,027	100.0	120,167	97.7
Total	\$ 17,027	100.0 %	\$ 122,975	100.0 %

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

2007 PRIVATE PLACEMENT FUND

As at December 31, 2021, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$1,708 (2020 - \$12,316), representing 10.0% (2020 - 10.1%) of the Fund's net assets attributable to holders of redeemable units.

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

2007 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	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	\$ —	\$ —	\$ 17,027	\$ 17,027	\$ —	\$ —	\$ 120,167	\$ 120,167
Direct private equity investments	—	—	—	—	—	—	2,808	2,808
BCI money market funds	52	—	—	52	184	—	—	184
Total	\$ 52	\$ —	\$ 17,027	\$ 17,079	\$ 184	\$ —	\$ 122,975	\$ 123,159

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 2,808	\$ 120,167	\$ 122,975
Total losses recognized in profit or loss	—	(4,410)	(4,410)
Purchases	—	134	134
Sales	(2,808)	(98,864)	(101,672)
Closing balance, end of year	\$ —	\$ 17,027	\$ 17,027
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ —	\$ (3,451)	\$ (3,451)

2007 PRIVATE PLACEMENT FUND

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

During 2021 and 2020, 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:

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 17,027	Net Asset Value	Net Asset Value	\$ 17,027	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 2,808	Net Asset Value	Net Asset Value	\$ 2,808	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 120,167	Net Asset Value	Net Asset Value	\$ 120,167	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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.

2007 PRIVATE PLACEMENT FUND

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

		2021	2020
Favourable	\$	1,703	\$ 12,298
Unfavourable		(1,703)	(12,298)

2007 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 52	2	\$ 2,904,346	\$ 184
Unlisted private equity investee funds administered by third party managers	6	407,423	17,027	12	3,357,041	120,167

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2008 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 27,579
Investments		134,113	222,005
Total assets		134,113	249,584
Liabilities			
BCI cost recoveries payable	4	30	512
Other accounts payable		44	23
Payable for distribution		—	27,579
		74	28,114
Net assets attributable to holders of redeemable units		\$ 134,039	\$ 221,470
Number of redeemable units outstanding	5	27,528	48,793
Net assets attributable to holders of redeemable units per unit		\$ 4,869	\$ 4,539
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2008 PRIVATE PLACEMENT FUND**Statement of Comprehensive Loss**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 497	\$ —
Change in fair value of investments:			
Net realized gain		72,391	38,017
Net change in unrealized appreciation		(67,636)	(30,663)
Total revenue		5,252	7,354
Expenses			
BCI cost recoveries	4	365	426
Administrative fees		107	36
Pursuit costs		112	—
Total operating expenses		584	462
Increase in net assets attributable to holders of redeemable units before distributions		4,668	6,892
Distributions to holders of redeemable units		(60,938)	(29,568)
Decrease in net assets attributable to holders of redeemable units		\$ (56,270)	\$ (22,676)

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 221,470	\$ 261,217
Decrease in net assets attributable to holders of redeemable units	(56,270)	(22,676)
Redeemable unit transactions:		
Proceeds from units issued	594	2,152
Reinvestment of distributions	60,938	29,568
Amounts paid for units redeemed	(92,693)	(48,791)
Net decrease from redeemable unit transactions	(31,161)	(17,071)
Balance, end of year	\$ 134,039	\$ 221,470

2008 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Decrease in net assets attributable to holders of redeemable units	\$ (56,270)	\$ (22,676)
Adjustments for:		
Net realized gain from investments	(72,391)	(38,017)
Net change in unrealized appreciation of investments	67,636	30,663
Non cash distributions	60,938	29,568
BCI cost recoveries payable	(482)	16
Other accounts payable	21	2
Net sale of investments	92,647	47,083
	92,099	46,639
Financing activities		
Proceeds from issuance of redeemable units	594	2,152
Payments on redemption of redeemable units	(92,693)	(48,791)
	(92,099)	(46,639)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2008 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 134,103	\$ 27,995	\$ 221,995	\$ 48,251
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 134,113	\$ 28,005	\$ 222,005	\$ 48,261

¹ The private equity investments are held through private corporations.

2008 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ 14,960	11.2 %	\$ —	— %
Unlisted private equity investee funds	15,439	11.5	134,291	60.5
Direct private equity investments	100,140	74.6	85,906	38.7
BCI money market funds	3,564	2.7	1,798	0.8
Total	\$ 134,103	100.0 %	\$ 221,995	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 88,961	66.4 %	\$ 105,282	47.5 %
United States Dollar	45,123	33.7	108,580	49.0
Net foreign currency exposure	\$ 134,084	100.1 %	\$ 213,862	96.5 %

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

2008 PRIVATE PLACEMENT 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, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$1,341 (2020 - \$2,139), representing 1.0% of the Fund's net assets (2020 - 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	2021		2020	
Euro	\$	7,602	\$	9,767
United States Dollar		28,453		48,049
Net foreign currency exposure through unfunded capital commitments	\$	36,055	\$	57,816

As at December 31, 2021, 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 \$361 (2020 - \$578). 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Health Care	\$ 29,771	25.8 %	\$ 29,754	13.5 %
Information Technology	70,369	60.8	56,152	25.5
	100,140	86.6	85,906	39.0
Total Unlisted Private Equity Investee Funds in diversified industries	15,439	13.4	134,291	61.0
Total	\$ 115,579	100.0 %	\$ 220,197	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ 70,369	60.8 %	\$ 56,152	25.5 %
North America	29,771	25.8	29,754	13.5
	100,140	86.6	85,906	39.0
Total Unlisted Private Equity Investee Funds diversified globally	15,439	13.4	134,291	61.0
Total	\$ 115,579	100.0 %	\$ 220,197	100.0 %

2008 PRIVATE PLACEMENT FUND

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

As at December 31, 2021, 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 \$13,411 (2020 - \$22,201), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2008 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ 14,960	\$ —	\$ 14,960	\$ —	\$ —	\$ —	\$ —
Unlisted private equity investee funds	—	—	15,439	15,439	—	—	134,291	134,291
Direct private equity investments	—	—	100,140	100,140	—	—	85,906	85,906
BCI money market funds	3,574	—	—	3,574	1,808	—	—	1,808
Total	\$ 3,574	\$ 14,960	\$ 115,579	\$ 134,113	\$ 1,808	\$ —	\$ 220,197	\$ 222,005

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 85,906	\$ 134,291	\$ 220,197
Total gains (losses) recognized in profit or loss	14,234	(10,031)	4,203
Purchases	—	59	59
Sales	—	(108,880)	(108,880)
Closing balance, end of year	\$ 100,140	\$ 15,439	\$ 115,579
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 14,234	\$ 2,275	\$ 16,509

2008 PRIVATE PLACEMENT FUND

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

During 2021 and 2020, 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:

	2021				
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 100,140	Net Asset Value	Net Asset Value	\$ 100,140	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 15,439	Net Asset Value	Net Asset Value	\$ 15,439	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
	2020				
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 85,906	Net Asset Value	Net Asset Value	\$ 85,906	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 134,291	Net Asset Value	Net Asset Value	\$ 134,291	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

2008 PRIVATE PLACEMENT FUND

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

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

	2021	2020
Favourable	\$ 11,558	\$ 22,020
Unfavourable	(11,558)	(22,020)

2008 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 3,574	2	\$ 2,904,346	\$ 1,808
Unlisted private equity investee funds administered by third party managers	3	1,516,563	15,439	12	7,037,544	134,291

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2009 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 62,055
Investments		143,952	245,281
Total assets		143,952	307,336
Liabilities			
BCI cost recoveries payable	4	15	836
Other accounts payable		24	22
Payable for distribution		—	62,055
		39	62,913
Net assets attributable to holders of redeemable units		\$ 143,913	\$ 244,423
Number of redeemable units outstanding	5	45.269	114.977
Net assets attributable to holders of redeemable units per unit		\$ 3,179	\$ 2,126
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2009 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 827	\$ —
Change in fair value of investments:			
Net realized gain		147,662	122,824
Net change in unrealized appreciation		(84,915)	(30,825)
Total revenue		63,574	91,999
Expenses			
BCI cost recoveries	4	185	248
Administrative fees		31	36
Total operating expenses		216	284
Increase in net assets attributable to holders of redeemable units before distributions		63,358	91,715
Distributions to holders of redeemable units		(199,687)	(65,852)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (136,329)	\$ 25,863

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

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 244,423	\$ 301,782
Increase (decrease) in net assets attributable to holders of redeemable units	(136,329)	25,863
Redeemable unit transactions:		
Proceeds from units issued	239	319
Reinvestment of distributions	199,687	65,852
Amounts paid for units redeemed	(164,107)	(149,393)
Net increase (decrease) from redeemable unit transactions	35,819	(83,222)
Balance, end of year	\$ 143,913	\$ 244,423

2009 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (136,329)	\$ 25,863
Adjustments for:		
Net realized gain from investments	(147,662)	(122,824)
Net change in unrealized appreciation of investments	84,915	30,825
Non cash distributions	199,687	65,852
BCI cost recoveries payable	(821)	31
Other accounts payable	2	(27)
Net sale of investments	164,076	149,354
	163,868	149,074
Financing activities		
Proceeds from issuance of redeemable units	239	319
Payments on redemption of redeemable units	(164,107)	(149,393)
	(163,868)	(149,074)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2009 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 143,942	\$ 39,897	\$ 245,271	\$ 56,311
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 143,952	\$ 39,907	\$ 245,281	\$ 56,321

¹ The private equity investments are held through private corporations.

2009 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ 1,052	0.7 %	\$ —	— %
Net investment-related receivables	—	—	299	0.1
Unlisted private equity investee funds	113,062	78.6	214,483	87.4
Direct private equity investments	27,926	19.4	30,451	12.5
BCI money market funds	1,902	1.3	38	—
Total	\$ 143,942	100.0 %	\$ 245,271	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$143,923 CAD which represents 100.0% of the net asset value of the Fund (2020 - \$245,258 CAD which represented 100.3% of the net asset value of the Fund).

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

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$1,439 (2020 - \$2,453), representing 1.0% of the Fund's net assets (2020 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

2009 PRIVATE PLACEMENT FUND

As at December 31, 2021, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$16,160 (2020 - \$24,552). As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to the foreign currency, holding all other variables constant, future unfunded commitments would have decreased/increased, respectively, by \$162 (2020 - \$246). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Health Care	\$ 27,926	19.8 %	\$ 30,451	12.4 %
	27,926	19.8	30,451	12.4
Total Unlisted Private Equity Investee Funds in diversified industries	113,062	80.2	214,483	87.6
Total	\$ 140,988	100.0 %	\$ 244,934	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
North America	\$ 27,926	19.8 %	\$ 30,451	12.4 %
	27,926	19.8	30,451	12.4
Total Unlisted Private Equity Investee Funds diversified globally	113,062	80.2	214,483	87.6
Total	\$ 140,988	100.0 %	\$ 244,934	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, 2021, 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 \$14,395 (2020 - \$24,528), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2009 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ 1,052	\$ —	\$ 1,052	\$ —	\$ —	\$ —	\$ —
Net investment-related receivables	—	—	—	—	—	299	—	299
Unlisted private equity investee funds	—	—	113,062	113,062	—	—	214,483	214,483
Direct private equity investments	—	—	27,926	27,926	—	—	30,451	30,451
BCI money market funds	1,912	—	—	1,912	48	—	—	48
Total	\$ 1,912	\$ 1,052	\$ 140,988	\$ 143,952	\$ 48	\$ 299	\$ 244,934	\$ 245,281

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 30,451	\$ 214,483	\$ 244,934
Total gains recognized in profit or loss	3,417	59,551	62,968
Purchases	—	129	129
Sales	(5,942)	(161,101)	(167,043)
Closing balance, end of year	\$ 27,926	\$ 113,062	\$ 140,988
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 2,774	\$ 32,677	\$ 35,451

2009 PRIVATE PLACEMENT FUND

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 38,224	\$ 264,362	\$ 302,586
Total gains recognized in profit or loss	6,713	87,453	94,166
Purchases	—	261	261
Sales	(14,486)	(137,593)	(152,079)
Closing balance, end of year	\$ 30,451	\$ 214,483	\$ 244,934
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 4,422	\$ 68,562	\$ 72,984

During 2021 and 2020, 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:

	2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input	
Direct Private Equity Investments	\$ 27,926	Net Asset Value	Net Asset Value	\$ 27,926	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Unlisted Private Equity Investee Funds	\$ 113,035	Net Asset Value	Net Asset Value	\$ 113,035	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Unlisted Private Equity Investee Funds	\$ 27	Transaction Price	N/A	N/A	N/A	

	2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input	
Direct Private Equity Investments	\$ 30,451	Net Asset Value	Net Asset Value	\$ 30,451	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Unlisted Private Equity Investee Funds	\$ 214,483	Net Asset Value	Net Asset Value	\$ 214,483	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	

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.

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.

2009 PRIVATE PLACEMENT FUND

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%.

		2021		2020
Favourable	\$	14,096	\$	24,493
Unfavourable		(14,096)		(24,493)

2009 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	1,912	2	\$ 2,904,346	48
Unlisted private equity investee funds administered by third party managers	4	6,654,334	113,062	7	10,709,009	214,483

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2010 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 17,096
Investments		67,205	298,915
Total assets		67,205	316,011
Liabilities			
BCI cost recoveries payable	4	15	332
Other accounts payable		25	22
Payable for distribution		—	17,096
		40	17,450
Net assets attributable to holders of redeemable units		\$ 67,165	\$ 298,561
Number of redeemable units outstanding	5	32.319	146.269
Net assets attributable to holders of redeemable units per unit		\$ 2,078	\$ 2,041
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2010 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 323	\$ —
Change in fair value of investments:			
Net realized gain		172,765	29,109
Net change in unrealized appreciation		(173,441)	54,962
Total revenue		(353)	84,071
Expenses			
BCI cost recoveries	4	183	219
Administrative fees		32	35
Total operating expenses		215	254
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		(568)	83,817
Distributions to holders of redeemable units		(61,248)	(26,740)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (61,816)	\$ 57,077

2010 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 298,561	\$ 262,817
Increase (decrease) in net assets attributable to holders of redeemable units	(61,816)	57,077
Redeemable unit transactions:		
Proceeds from units issued	965	419
Reinvestment of distributions	61,248	26,740
Amounts paid for units redeemed	(231,793)	(48,492)
Net decrease from redeemable unit transactions	(169,580)	(21,333)
Balance, end of year	\$ 67,165	\$ 298,561

2010 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (61,816)	\$ 57,077
Adjustments for:		
Net realized gain from investments	(172,765)	(29,109)
Net change in unrealized appreciation of investments	173,441	(54,962)
Non cash distributions	61,248	26,740
BCI cost recoveries payable	(317)	12
Other accounts payable	3	1
Net sale of investments	231,034	48,314
	230,828	48,073
Financing activities		
Proceeds from issuance of redeemable units	965	419
Distributions paid to holders of redeemable units	(231,793)	(48,492)
	(230,828)	(48,073)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2010 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 67,195	\$ 23,867	\$ 298,905	\$ 82,136
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 67,205	\$ 23,877	\$ 298,915	\$ 82,146

¹ The private equity investments are held through private corporations.

2010 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2010 Private Placement Fund.

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

	2021		2020	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ 19,765	29.4 %	\$ —	— %
Public equity	353	0.5	—	—
Unlisted private equity investee funds	37,222	55.4	298,879	100.0
Foreign currency contracts, net	(8)	—	—	—
BCI money market funds	9,863	14.7	26	—
Total	\$ 67,195	100.0 %	\$ 298,905	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 7,886	11.7 %	\$ 48,529	16.3 %
United States Dollar	59,295	88.3	241,578	80.9
Net foreign currency exposure	\$ 67,181	100.0 %	\$ 290,107	97.2 %

2010 PRIVATE PLACEMENT FUND

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

As at December 31, 2021, 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 \$672 (2020 - \$2,901), representing 1.0% of the Fund's net assets (2020 - 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		2021		2020
Euro	\$	18,147	\$	20,511
United States Dollar		4,281		13,838
Net foreign currency exposure through unfunded capital commitments	\$	22,428	\$	34,349

As at December 31, 2021, 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 \$224 (2020 - \$343). 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 public equity and unlisted private equity investee funds are concentrated in the following industries:

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Public Equity Investments				
Health Care	\$ 353	0.9 %	\$ —	— %
	353	0.9	—	—
Total Unlisted Private Equity Investee Funds in diversified industries	37,222	99.1	298,879	100.0
Total	\$ 37,575	100.0 %	\$ 298,879	100.0 %

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Public Equity Investments				
North America	\$ 353	0.9 %	\$ —	— %
	353	0.9	—	—
Total Unlisted Private Equity Investee Funds diversified globally	37,222	99.1	298,879	100.0
Total	\$ 37,575	100.0 %	\$ 298,879	100.0 %

The fair value of these investments fluctuates in response to specific investee developments, rather than from changes in the general level of market prices. Accordingly, sensitivity analysis that would measure the impact to

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changes in the general level of market prices has not been provided as BCI does not believe this information would be meaningful.

As at December 31, 2021, 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 \$6,721 (2020 - 29,892), representing 10.0% (2020 - 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.

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Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ 19,765	\$ —	\$ 19,765	\$ —	\$ —	\$ —	\$ —
Public equities	353	—	—	353	—	—	—	—
Unlisted private equity investee funds	—	—	37,222	37,222	—	—	298,879	298,879
Foreign currency contracts, net	—	(8)	—	(8)	—	—	—	—
BCI money market funds	9,873	—	—	9,873	36	—	—	36
Total	\$ 10,226	\$ 19,757	\$ 37,222	\$ 67,205	\$ 36	\$ —	\$ 298,879	\$ 298,915

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		2020	
	Unlisted Private Equity Investee Funds		Unlisted Private Equity Investee Funds	
Opening balance, beginning of year	\$ 298,879	\$	\$ 261,915	\$
Total gains recognized in profit or loss	334		84,386	
Purchases	798		176	
Sales	(262,789)		(47,598)	
Closing balance, end of year	\$ 37,222	\$	\$ 298,879	\$
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 6,542	\$	\$ 78,734	\$

During 2021 and 2020, there were no significant transfers into or out of Level 3.

2010 PRIVATE PLACEMENT FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2021						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 29,334	Net Asset Value	Net Asset Value	\$ 29,334	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	7,888	Transaction Price	N/A	N/A	N/A	N/A
2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 298,879	Net Asset Value	Net Asset Value	\$ 298,879	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

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 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%.

	2021	2020
Favourable	\$ 2,933	\$ 29,888
Unfavourable	(2,933)	(29,888)

2010 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 9,873	2	\$ 2,904,346	\$ 36
Unlisted private equity investee funds administered by third party managers	2	739,251	37,222	7	7,354,355	298,879

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

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Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 8,597
Investments		336,721	412,553
Total assets		336,721	421,150
Liabilities			
BCI cost recoveries payable	4	30	426
Other accounts payable		24	23
Payable for distribution		—	8,597
		54	9,046
Net assets attributable to holders of redeemable units		\$ 336,667	\$ 412,104
Number of redeemable units outstanding	5	151.439	232.383
Net assets attributable to holders of redeemable units per unit		\$ 2,223	\$ 1,773
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2011 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 412	\$ —
Change in fair value of investments:			
Net realized gain		97,288	8,966
Net change in unrealized appreciation		(9,241)	(15,617)
Total revenue		88,459	(6,651)
Expenses			
BCI cost recoveries	4	370	429
Administrative fees		30	36
Total operating expenses		400	465
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		88,059	(7,116)
Distributions to holders of redeemable units		(46,945)	(8,597)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 41,114	\$ (15,713)

2011 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 412,104	\$ 424,989
Increase (decrease) in net assets attributable to holders of redeemable units	41,114	(15,713)
Redeemable unit transactions:		
Proceeds from units issued	3,341	12,209
Reinvestment of distributions	46,945	8,597
Amounts paid for units redeemed	(166,837)	(17,978)
Net increase (decrease) from redeemable unit transactions	(116,551)	2,828
Balance, end of year	\$ 336,667	\$ 412,104

2011 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 41,114	\$ (15,713)
Adjustments for:		
Net realized gain from investments	(97,288)	(8,966)
Net change in unrealized appreciation of investments	9,241	15,617
Non cash distributions	46,945	8,597
BCI cost recoveries payable	(396)	14
Other accounts payable	1	2
Net sale of investments	163,879	6,218
	163,496	5,769
Financing activities		
Proceeds from issuance of redeemable units	3,341	12,209
Payments on redemption of redeemable units	(166,837)	(17,978)
	(163,496)	(5,769)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2011 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 336,711	\$ 129,275	\$ 412,543	\$ 195,866
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 336,721	\$ 129,285	\$ 412,553	\$ 195,876

¹ The private equity investments are held through private corporations.

2011 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2011 Private Placement Fund.

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

	2021		2020	
	Total	% of Total	Total	% of Total
Public equity	\$ 850	0.3 %	\$ —	— %
Unlisted private equity investee funds	309,564	91.9	411,878	99.8
BCI money market funds	26,297	7.8	665	0.2
Total	\$ 336,711	100.0 %	\$ 412,543	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

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Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 97,049	28.8 %	\$ 85,398	20.7 %
United States Dollar	214,605	63.7	292,201	70.9
Net foreign currency exposure	\$ 311,654	92.5 %	\$ 377,599	91.6 %

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, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$3,117 (2020 - \$3,776), representing 0.9% of the Fund's net assets (2020 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2021	2020
Euro	\$ 11,793	\$ 12,797
United States Dollar	9,143	16,556
Net foreign currency exposure through unfunded capital commitments	\$ 20,936	\$ 29,353

As at December 31, 2021, 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 \$209 (2020 - \$294). 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 public equity and unlisted private equity investee funds are concentrated in the following industries:

2011 PRIVATE PLACEMENT FUND

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Public Equity Investments				
Health Care	\$ 850	0.3 %	—	—
	850	0.3	—	—
Total Unlisted Private Equity Investee Funds in diversified industries	309,564	99.7	411,878	100.0
Total	\$ 310,414	100.0 %	\$ 411,878	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Public Equity Investments				
North America	\$ 850	0.3 %	—	—
	850	0.3	—	—
Total Unlisted Private Equity Investee Funds diversified globally	309,564	99.7	411,878	100.0
Total	\$ 310,414	100.0 %	\$ 411,878	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, 2021, 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 \$33,672 (2020 - \$41,255), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2011 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	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
Public equities	\$ 850	\$ —	\$ —	\$ 850	\$ —	\$ —	\$ —	\$ —
Unlisted private equity investee funds	—	—	309,564	309,564	—	—	411,878	411,878
BCI money market funds	26,307	—	—	26,307	675	—	—	675
Total	\$ 27,157	\$ —	\$ 309,564	\$ 336,721	\$ 675	\$ —	\$ 411,878	\$ 412,553

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021
	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 411,878
Total gains recognized in profit or loss	87,341
Purchases	3,338
Sales	(192,993)
Closing balance, end of year	\$ 309,564
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 86,928

2011 PRIVATE PLACEMENT FUND

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 1,103	\$ 424,264	\$ 425,367
Total losses recognized in profit or loss	(33)	(6,180)	(6,213)
Purchases	—	12,040	12,040
Sales	(1,070)	(18,246)	(19,316)
Closing balance, end of year	\$ —	\$ 411,878	\$ 411,878
Total unrealized losses for the year included in profit or loss related to level 3 investments held at the reporting date	\$ —	\$ (6,947)	\$ (6,947)

During 2021 and 2020, 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:

2021						
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 309,564	Net Asset Value	Net Asset Value	\$ 309,564	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 411,878	Net Asset Value	Net Asset Value	\$ 411,878	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

Effects of Unobservable Input on Fair Value Measurement

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

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

2011 PRIVATE PLACEMENT FUND

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

		2021		2020
Favourable	\$	30,956	\$	41,188
Unfavourable		(30,956)		(41,188)

2011 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 26,307	2	\$ 2,904,346	\$ 675
Unlisted private equity investee funds administered by third party managers	4	10,088,761	309,564	10	12,070,187	411,878

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2012 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 56,758
Investments		78,592	323,968
Total assets		78,592	380,726
Liabilities			
BCI cost recoveries payable	4	18	669
Other accounts payable		24	22
Payable for distribution		—	56,758
		42	57,449
Net assets attributable to holders of redeemable units		\$ 78,550	\$ 323,277
Number of redeemable units outstanding	5	140.036	762.091
Net assets attributable to holders of redeemable units per unit		\$ 561	\$ 424
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2012 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 656	\$ —
Change in fair value of investments:			
Net realized gain		175,197	69,242
Net change in unrealized appreciation		(153,579)	(1,943)
Total revenue		22,274	67,299
Expenses			
BCI cost recoveries	4	220	300
Administrative fees		57	34
Pursuit costs		331	—
Total operating expenses		608	334
Increase in net assets attributable to holders of redeemable units before distributions		21,666	66,965
Distributions to holders of redeemable units		(155,272)	(63,768)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (133,606)	\$ 3,197

2012 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 323,277	\$ 371,885
Increase (decrease) in net assets attributable to holders of redeemable units	(133,606)	3,197
Redeemable unit transactions:		
Proceeds from units issued	689	2,284
Reinvestment of distributions	155,272	63,768
Amounts paid for units redeemed	(267,082)	(117,857)
Net decrease from redeemable unit transactions	(111,121)	(51,805)
Balance, end of year	\$ 78,550	\$ 323,277

2012 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (133,606)	\$ 3,197
Adjustments for:		
Net realized gain from investments	(175,197)	(69,242)
Net change in unrealized appreciation of investments	153,579	1,943
Non cash distributions	155,272	63,768
BCI cost recoveries payable	(651)	21
Other accounts payable	2	1
Net sale of investments	266,994	115,885
	266,393	115,573
Financing activities		
Proceeds from issuance of redeemable units	689	2,284
Payments on redemption of redeemable units	(267,082)	(117,857)
	(266,393)	(115,573)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2012 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 78,582	\$ 20,497	\$ 323,958	\$ 112,294
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 78,592	\$ 20,507	\$ 323,968	\$ 112,304

¹ The private equity investments are held through private corporations.

2012 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2012 Private Placement Fund.

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

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 76,947	97.9 %	\$ 323,921	100.0 %
BCI money market funds	1,635	2.1	37	—
Total	\$ 78,582	100.0 %	\$ 323,958	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

2012 PRIVATE PLACEMENT FUND

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ —	— %	\$ 181,132	56.0 %
United States Dollar	78,562	100.0	142,814	44.2
Net foreign currency exposure	\$ 78,562	100.0 %	\$ 323,946	100.2 %

The table above identifies currency exposure based on the currency in which the Fund's investments are denominated. In addition to the currency exposures set out above, the Fund may have additional indirect exposure to currency risk through its 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, 2021, 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 \$786 (2020 - \$3,239), representing 1.0% of the Fund's net assets (2020 - 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	2021	2020
Euro	\$ —	\$ 17,825
United States Dollar	42,472	47,968
Net foreign currency exposure through unfunded capital commitments	\$ 42,472	\$ 65,793

As at December 31, 2021, 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 \$425 (2020 - \$658). 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 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, 2021, 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 \$7,859 (2020 - \$32,397), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2012 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	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	\$ —	\$ —	\$ 76,947	\$ 76,947	\$ —	\$ —	\$ 323,921	\$ 323,921
BCI money market funds	1,645	—	—	1,645	47	—	—	47
Total	\$ 1,645	\$ —	\$ 76,947	\$ 78,592	\$ 47	\$ —	\$ 323,921	\$ 323,968

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		2020	
	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds	Unlisted Private Equity Investee Funds
Opening balance, beginning of year	\$ 323,921	\$ 372,498		
Total gains recognized in profit or loss	22,875	68,251		
Purchases	41	3,227		
Sales	(269,890)	(120,055)		
Closing balance, end of year	\$ 76,947	\$ 323,921		
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 26,955	\$ 56,164		

During 2021 and 2020, there were no significant transfers into or out of Level 3.

2012 PRIVATE PLACEMENT FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 68,654	Net Asset Value	Net Asset Value	\$ 68,654	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	8,293	Transaction Price	N/A	N/A	N/A

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Unlisted Private Equity Investee Funds	\$ 323,921	Net Asset Value	Net Asset Value	\$ 323,921	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

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 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%.

	2021	2020
Favourable	\$ 6,865	\$ 32,392
Unfavourable	(6,865)	(32,392)

2012 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 1,646	2	\$ 2,904,346	\$ 47
Unlisted private equity investee funds administered by third party managers	3	2,838,996	76,947	6	9,656,634	323,921

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2013 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 195,937
Investments		857,233	1,017,143
Total assets		857,233	1,213,080
Liabilities			
BCI cost recoveries payable	4	46	487
Other accounts payable		31	24
Payable for distribution		—	195,937
		77	196,448
Net assets attributable to holders of redeemable units		\$ 857,156	\$ 1,016,632
Number of redeemable units outstanding	5	89.562	153.801
Net assets attributable to holders of redeemable units per unit		\$ 9,571	\$ 6,610
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2013 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 463	\$ —
Change in fair value of investments:			
Net realized gain		347,753	205,523
Net change in unrealized appreciation		(50,776)	131,894
Total revenue		297,440	337,417
Expenses			
BCI cost recoveries	4	573	680
Administrative fees		129	98
Pursuit costs		144	1
Total operating expenses		846	779
Increase in net assets attributable to holders of redeemable units before distributions		296,594	336,638
Distributions to holders of redeemable units		(330,522)	(204,745)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (33,928)	\$ 131,893

2013 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 1,016,632	\$ 1,018,634
Increase (decrease) in net assets attributable to holders of redeemable units	(33,928)	131,893
Redeemable unit transactions:		
Proceeds from units issued	10,352	21,402
Reinvestment of distributions	330,522	204,745
Amounts paid for units redeemed	(466,422)	(360,042)
Net decrease from redeemable unit transactions	(125,548)	(133,895)
Balance, end of year	\$ 857,156	\$ 1,016,632

2013 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (33,928)	\$ 131,893
Adjustments for:		
Net realized gain from investments	(347,753)	(205,523)
Net change in unrealized appreciation of investments	50,776	(131,894)
Non cash distributions	330,522	204,745
BCI cost recoveries payable	(441)	18
Other accounts payable	7	3
Net sale of investments	456,887	339,398
	456,070	338,640
Financing activities		
Proceeds from issuance of redeemable units	10,352	21,402
Payments on redemption of redeemable units	(466,422)	(360,042)
	(456,070)	(338,640)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2013 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 857,223	\$ 200,970	\$ 1,017,133	\$ 310,104
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 857,233	\$ 200,980	\$ 1,017,143	\$ 310,114

¹ The private equity investments are held through private corporations.

2013 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2013 Private Placement Fund.

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

	2021		2020	
	Total	% of Total	Total	% of Total
Cash and cash equivalents	\$ 4,935	0.6 %	\$ —	— %
Net investment-related receivables	14,106	1.6	1,020	0.1
Direct private debt investments	8,549	1.0	16,297	1.6
Unlisted private equity investee funds	814,241	95.0	877,671	86.2
Direct private equity investments	8,074	0.9	42,653	4.2
Foreign currency contracts, net	(2)	—	—	—
BCI money market funds	7,320	0.9	4,641	0.5
Public equity	—	—	74,851	7.4
Total	\$ 857,223	100.0 %	\$ 1,017,133	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, 2021 and 2020, the Fund had no other assets or liabilities which change in value as a result of changes in interest rates.

2013 PRIVATE PLACEMENT FUND

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 159	— %	\$ 185	— %
Euro	291,367	34.0	282,848	27.8
United States Dollar	540,505	63.1	714,240	70.3
Net foreign currency exposure	\$ 832,031	97.1 %	\$ 997,273	98.1 %

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, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$8,320 (2020 - \$9,973), representing 1.0% of the Fund's net assets (2020 - 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	2021	2020
Euro	\$ 22,489	\$ 29,408
United States Dollar	42,195	69,022
Net foreign currency exposure through unfunded capital commitments	\$ 64,684	\$ 98,430

As at December 31, 2021, 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 \$647 (2020 - \$984). 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 investment, public equity, and unlisted private equity investee funds are concentrated in the following industries:

2013 PRIVATE PLACEMENT FUND

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Consumer Staples	\$ 159	— %	\$ 185	— %
Industrials	11,070	1.4	18,823	1.9
Telecommunication Services	5,394	0.6	39,942	3.9
	16,623	2.0	58,950	5.8
Public Equity				
Industrials	—	—	74,851	7.4
	—	—	74,851	7.4
Total Unlisted Private Equity Investee Funds in diversified industries	814,241	98.0	877,671	86.8
Total	\$ 830,864	100.0 %	\$ 1,011,472	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Asia	\$ 159	— %	\$ 185	— %
Canada	11,070	1.3	18,823	1.9
North America	5,394	0.6	39,942	3.9
	16,623	1.9	58,950	5.8
Public Equity diversified globally	—	0.1	74,851	7.4
	—	0.1	74,851	7.4
Total Unlisted Private Equity Investee Funds diversified globally	814,241	98.0	877,671	86.8
Total	\$ 830,864	100.0 %	\$ 1,011,472	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, 2021, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately 85,723 (2020 - 101,714), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2013 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash and cash equivalents	\$ —	\$ 4,935	\$ —	\$ 4,935	\$ —	\$ —	\$ —	\$ —
Net investment-related receivables	—	14,106	—	14,106	—	1,020	—	1,020
Public equities	—	—	—	—	74,851	—	—	74,851
Direct private debt investments	—	—	8,549	8,549	—	—	16,297	16,297
Unlisted private equity investee funds	—	—	814,241	814,241	—	—	877,671	877,671
Direct private equity investments	—	—	8,074	8,074	—	—	42,653	42,653
Foreign currency contracts, net	—	(2)	—	(2)	—	—	—	—
BCI money market funds	7,330	—	—	7,330	4,651	—	—	4,651
Total	\$ 7,330	\$ 19,039	\$ 830,864	\$ 857,233	\$ 79,502	\$ 1,020	\$ 936,621	\$ 1,017,143

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 42,653	\$ 16,297	\$ 877,671	\$ 936,621
Total gains recognized in profit or loss	120,937	6,393	178,707	306,037
Purchases	177	—	14,132	14,309
Sales	(155,693)	(14,141)	(256,269)	(426,103)
Closing balance, end of year	\$ 8,074	\$ 8,549	\$ 814,241	\$ 830,864
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (23,543)	\$ 5,766	\$ 185,588	\$ 167,811

2013 PRIVATE PLACEMENT FUND

	2020				
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 44,290	\$ —	\$ 796,754	\$ 841,044	
Total gains (losses) recognized in profit or loss	10,632	(2,045)	285,250	293,837	
Purchases	93	14,513	21,220	35,826	
Sales	(12,362)	3,829	(225,553)	(234,086)	
Closing balance, end of year	\$ 42,653	\$ 16,297	\$ 877,671	\$ 936,621	
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date					
	\$ 10,617	\$ (1,492)	\$ 248,783	\$ 257,908	

During 2021 and 2020, 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:

2021						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 5,553	Net Asset Value	Net Asset Value	\$ 5,553	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 2,521	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	\$ 814,241	Net Asset Value	Net Asset Value	\$ 814,241	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 8,549	Market approach	EBITDA multiple	6.5x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 29,560	Net Asset Value	Net Asset Value	\$ 29,560	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 13,093	Market Approach	EBITDA Multiple	6.5x - 23.2x	20.0x	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Unlisted Private Equity Investee Funds	\$ 877,671	Net Asset Value	Net Asset Value	\$ 877,671	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

2013 PRIVATE PLACEMENT FUND

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

EBITDA 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 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%.

		2021		2020
Favourable	\$	83,086	\$	93,662
Unfavourable		(83,086)		(93,662)

2013 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 7,330	2	\$ 2,904,346	\$ 4,651
Unlisted private equity investee funds administered by third party managers	5	44,206,457	814,241	7	48,781,468	877,671

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2013 PRIVATE PLACEMENT FUND

Involvement with Subsidiaries and Associates

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

2021

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Universal Rail Systems Inc.	Railway infrastructure service provider	Common shares and debt interest	Associate	Canada	Canada	23.9 %	23.9 %

2020

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Universal Rail Systems Inc.	Railway infrastructure service provider	Common shares and debt interest	Associate	Canada	Canada	23.9 %	23.9 %

During 2021 and 2020, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2014 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 19,386
Investments		635,525	932,396
Total assets		635,525	951,782
Liabilities			
BCI cost recoveries payable	4	47	525
Other accounts payable		24	24
Payable for distribution		—	19,386
		71	19,935
Net assets attributable to holders of redeemable units		\$ 635,454	\$ 931,847
Number of redeemable units outstanding	5	57.404	10.397
Net assets attributable to holders of redeemable units per unit		\$ 11,070	\$ 89,627
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2014 PRIVATE PLACEMENT FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 500	\$ —
Change in fair value of investments:			
Net realized gain		250,887	20,088
Net change in unrealized appreciation		(91,614)	177,070
Total revenue		159,773	197,158
Expenses			
BCI cost recoveries	4	583	676
Administrative fees		59	38
Pursuit costs		199	31
Total operating expenses		841	745
Increase in net assets attributable to holders of redeemable units before distributions		158,932	196,413
Distributions to holders of redeemable units		(144,837)	(19,386)
Increase in net assets attributable to holders of redeemable units		\$ 14,095	\$ 177,027

2014 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 931,847	\$ 764,382
Increase in net assets attributable to holders of redeemable units	14,095	177,027
Redeemable unit transactions:		
Proceeds from units issued	7,979	23,738
Reinvestment of distributions	144,837	19,386
Amounts paid for units redeemed	(463,304)	(52,686)
Net decrease from redeemable unit transactions	(310,488)	(9,562)
Balance, end of year	\$ 635,454	\$ 931,847

2014 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase in net assets attributable to holders of redeemable units	\$ 14,095	\$ 177,027
Adjustments for:		
Net realized gain from investments	(250,887)	(20,088)
Net change in unrealized appreciation of investments	91,614	(177,070)
Non cash distributions	144,837	19,386
BCI cost recoveries payable	(478)	15
Other accounts payable	—	3
Net sale of investments	456,144	29,675
	455,325	28,948
Financing activities		
Proceeds from issuance of redeemable units	7,979	23,738
Payments on redemption of redeemable units	(463,304)	(52,686)
	(455,325)	(28,948)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2014 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 635,515	\$ 259,249	\$ 932,386	\$ 464,506
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 635,525	\$ 259,259	\$ 932,396	\$ 464,516

¹ The private equity investments are held through private corporations.

2014 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2014 Private Placement Fund.

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

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 551,886	86.8 %	\$ 833,882	89.5 %
Direct private equity investments	83,586	13.2	96,214	10.3
BCI money market funds	43	—	2,290	0.2
Total	\$ 635,515	100.0 %	\$ 932,386	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund holds net financial assets denominated in U.S. currency, totalling \$635,498 CAD which represents 100.0% of the net asset value of the Fund (2020 - \$865,613 CAD which represented 92.9% of the net asset value of the Fund).

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

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$6,355 (2020 - \$8,656), representing 1.0% of the Fund's net assets (2020 - 0.9%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, 2021, the Fund had additional exposure to currency risk through its future unfunded commitments in U.S. currency totalling \$26,709 (2020 - \$49,955). As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant,

2014 PRIVATE PLACEMENT FUND

future unfunded commitments would have decreased/increased, by \$267 (2020 - \$500). 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Discretionary	\$ 32,521	5.1 %	\$ 31,210	3.4 %
Health Care	35,323	5.6	42,630	4.6
Information Technology	15,742	2.5	—	—
Telecommunication Services	—	—	22,374	2.3
	83,586	13.2	96,214	10.3
Total Unlisted Private Equity Investee Funds in diversified industries	551,886	86.8	833,882	89.7
Total	\$ 635,472	100.0 %	\$ 930,096	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Middle East	\$ 67,845	10.7 %	\$ 73,839	7.9 %
South America	15,741	2.5	22,375	2.4
	83,586	13.2	96,214	10.3
Total Unlisted Private Equity Investee Funds diversified globally	551,886	86.8	833,882	89.7
Total	\$ 635,472	100.0 %	\$ 930,096	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, 2021, 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 \$63,553 (2020 - \$93,240), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2014 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	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	\$ —	\$ —	\$ 551,886	\$ 551,886	\$ —	\$ —	\$ 833,882	\$ 833,882
Direct private equity investments	—	—	83,586	83,586	—	—	96,214	96,214
BCI money market funds	53	—	—	53	2,300	—	—	2,300
Total	\$ 53	\$ —	\$ 635,472	\$ 635,525	\$ 2,300	\$ —	\$ 930,096	\$ 932,396

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 96,214	\$ 833,882	\$ 930,096
Total gains (losses) recognized in profit or loss	(12,628)	174,012	161,384
Purchases	—	11,300	11,300
Sales	—	(467,308)	(467,308)
Closing balance, end of year	\$ 83,586	\$ 551,886	\$ 635,472
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (12,628)	\$ 138,255	\$ 125,627

2014 PRIVATE PLACEMENT FUND

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 99,052	\$ 665,805	\$ 764,857
Total gains recognized in profit or loss	210	196,909	197,119
Purchases	—	27,730	27,730
Sales	(3,048)	(56,562)	(59,610)
Closing balance, end of year	\$ 96,214	\$ 833,882	\$ 930,096
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ (2,126)	\$ 179,943	\$ 177,817

During 2021 and 2020, 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:

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 83,586	Net Asset Value	Net Asset Value	\$ 83,586	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 551,886	Net Asset Value	Net Asset Value	\$ 551,886	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 96,214	Net Asset Value	Net Asset Value	\$ 96,214	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 833,882	Net Asset Value	Net Asset Value	\$ 833,882	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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.

2014 PRIVATE PLACEMENT FUND

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

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

	2021	2020
Favourable	\$ 63,547	\$ 93,010
Unfavourable	(63,547)	(93,010)

2014 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 53	2	\$ 2,904,346	\$ 2,300
Unlisted private equity investee funds administered by third party managers	3	11,631,009	551,886	9	22,629,951	833,882

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2015 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 171,180
Investments		932,074	1,569,199
Total assets		932,074	1,740,379
Liabilities			
BCI cost recoveries payable	4	69	755
Other accounts payable		24	25
Payable for distribution		—	171,180
		93	171,960
Net assets attributable to holders of redeemable units		\$ 931,981	\$ 1,568,419
Number of redeemable units outstanding	5	341.646	666.732
Net assets attributable to holders of redeemable units per unit		\$ 2,728	\$ 2,352
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2015 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income (Loss)**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 721	\$ —
Change in fair value of investments:			
Net realized gain		499,312	192,750
Net change in unrealized appreciation		(308,321)	91,142
Total revenue		191,712	283,892
Expenses			
BCI cost recoveries	4	862	1,042
Administrative fees		28	41
Pursuit costs		10	—
Total operating expenses		900	1,083
Increase in net assets attributable to holders of redeemable units before distributions		190,812	282,809
Distributions to holders of redeemable units		(423,205)	(187,738)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (232,393)	\$ 95,071

2015 PRIVATE PLACEMENT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 1,568,419	\$ 1,610,272
Increase (decrease) in net assets attributable to holders of redeemable units	(232,393)	95,071
Redeemable unit transactions:		
Proceeds from units issued	31,145	76,090
Reinvestment of distributions	423,205	187,738
Amounts paid for units redeemed	(858,395)	(400,752)
Net decrease from redeemable unit transactions	(404,045)	(136,924)
Balance, end of year	\$ 931,981	\$ 1,568,419

2015 PRIVATE PLACEMENT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (232,393)	\$ 95,071
Adjustments for:		
Net realized gain from investments	(499,312)	(192,750)
Net change in unrealized appreciation of investments	308,321	(91,142)
Non cash distributions	423,205	187,738
BCI cost recoveries payable	(686)	25
Other accounts payable	(1)	4
Net sale of investments and derivatives	828,116	325,716
	827,250	324,662
Financing activities		
Proceeds from issuance of redeemable units	31,145	76,090
Payments on redemption of redeemable units	(858,395)	(400,752)
	(827,250)	(324,662)
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2015 PRIVATE PLACEMENT FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 932,064	\$ 403,967	\$ 1,569,189	\$ 732,771
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
	10	10	10	10
Total Investments	\$ 932,074	\$ 403,977	\$ 1,569,199	\$ 732,781

¹ The private equity investments are held through private corporations.

2015 PRIVATE PLACEMENT FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2015 Private Placement Fund.

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

	2021		2020	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ —	— %	\$ 836	0.1 %
Unlisted private equity investee funds	928,997	99.7	1,344,740	85.7
Direct private equity investments	3,020	0.3	220,240	14.0
Foreign currency contracts, net	—	—	(3)	—
BCI money market funds	47	—	3,376	0.2
Total	\$ 932,064	100.0 %	\$ 1,569,189	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 377,110	40.5 %	\$ 510,296	32.5 %
United States Dollar	545,031	58.5	1,038,814	66.2
Net foreign currency exposure	\$ 922,141	99.0 %	\$ 1,549,110	98.7 %

2015 PRIVATE PLACEMENT FUND

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

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$9,221 (2020 - \$15,491), representing 1.0% of the Fund's net assets (2020 - 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	2021		2020	
Euro	\$	24,090	\$	37,148
United States Dollar		107,235		126,485
Net foreign currency exposure through unfunded capital commitments	\$	131,325	\$	163,633

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$1,313 (2020 - \$1,636). 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.

2015 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Information Technology	\$ 3,020	0.3 %	\$ 220,240	14.1 %
	3,020	0.3	220,240	14.1
Total Unlisted Private Equity Investee Funds in diversified industries	928,997	99.7	1,344,740	85.9
Total	\$ 932,017	100.0 %	\$ 1,564,980	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
North America	\$ 3,020	0.3 %	\$ 220,240	14.1 %
	3,020	0.3	220,240	14.1
Total Unlisted Private Equity Investee Funds diversified globally	928,997	99.7	1,344,740	85.9
Total	\$ 932,017	100.0 %	\$ 1,564,980	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, 2021, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$93,207 (2020 - 156,920), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2015 PRIVATE PLACEMENT FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Net investment-related receivables	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 836	\$ —	\$ 836
Unlisted private equity investee funds	—	—	928,997	928,997	—	—	1,344,740	1,344,740
Direct private equity investments	—	—	3,020	3,020	—	—	220,240	220,240
Foreign currency contracts, net	—	—	—	—	—	(3)	—	(3)
BCI money market funds	57	—	—	57	3,386	—	—	3,386
Total	\$ 57	\$ —	\$ 932,017	\$ 932,074	\$ 3,386	\$ 833	\$ 1,564,980	\$ 1,569,199

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 220,240	\$ 1,344,740	\$ 1,564,980
Total gains recognized in profit or loss	85,322	103,476	188,798
Purchases	—	126,969	126,969
Sales	(302,542)	(646,188)	(948,730)
Closing balance, end of year	\$ 3,020	\$ 928,997	\$ 932,017
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ —	\$ 151,813	\$ 151,813

2015 PRIVATE PLACEMENT FUND

	2020		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 388,315	\$ 1,213,407	\$ 1,601,722
Total gains recognized in profit or loss	36,095	249,574	285,669
Purchases	756	92,328	93,084
Sales	(204,926)	(210,569)	(415,495)
Closing balance, end of year	\$ 220,240	\$ 1,344,740	\$ 1,564,980
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 6,344	\$ 220,168	\$ 226,512

During 2021 and 2020, 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:

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 3,020	Net Asset Value	Net Asset Value	\$ 3,020	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 647,566	Net Asset Value	Net Asset Value	\$ 647,566	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 263,312	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 263,312	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Unlisted Private Equity Investee Funds	\$ 18,119	Transaction Price	N/A	N/A	N/A
2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 220,240	Net Asset Value	Net Asset Value	\$ 220,240	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 835,009	Net Asset Value	Net Asset Value	\$ 835,009	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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.

2015 PRIVATE PLACEMENT FUND

Adjusted Net Asset Value:

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

Transaction Price

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

Effects of Unobservable Input on Fair Value Measurement

For certain direct private equity 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%.

	2021	2020
Favourable	\$ 91,390	\$ 156,498
Unfavourable	(91,390)	(156,498)

2015 PRIVATE PLACEMENT FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 57	2	\$ 2,904,346	\$ 3,386
Unlisted private equity investee funds administered by third party managers	8	18,531,563	928,997	11	24,420,062	1,344,740

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2016 PRIVATE PLACEMENT FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 42,871
Investments		4,667,038	4,577,111
Total assets		4,667,038	4,619,982
Liabilities			
BCI cost recoveries payable	4	160	1,180
Other accounts payable		24	29
Payable for distribution		—	42,871
		184	44,080
Net assets attributable to holders of redeemable units		\$ 4,666,854	\$ 4,575,902
Number of redeemable units outstanding	5	5,038.800	6,323.835
Net assets attributable to holders of redeemable units per unit		\$ 926	\$ 724
<i>Related party transactions</i>	4		
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2016 PRIVATE PLACEMENT FUND**Statement of Comprehensive Income**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Interest income		\$ —	\$ 1
Other income	10	1,343	310
Change in fair value of investments:			
Net realized gain		458,415	58,133
Net change in unrealized appreciation		586,336	1,068,030
Total revenue		1,046,094	1,126,474
Expenses			
BCI cost recoveries	4	1,932	1,988
Administrative fees		73	49
Total operating expenses		2,005	2,037
Increase in net assets attributable to holders of redeemable units before distributions		1,044,089	1,124,437
Distributions to holders of redeemable units		(459,623)	(54,543)
Increase in net assets attributable to holders of redeemable units		\$ 584,466	\$ 1,069,894

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, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 4,575,902	\$ 3,362,721
Increase in net assets attributable to holders of redeemable units	584,466	1,069,894
Redeemable unit transactions:		
Proceeds from units issued	103,716	370,729
Reinvestment of distributions	459,623	54,543
Amounts paid for units redeemed	(1,056,853)	(281,985)
Net increase (decrease) from redeemable unit transactions	(493,514)	143,287
Balance, end of year	\$ 4,666,854	\$ 4,575,902

2016 PRIVATE PLACEMENT FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase in net assets attributable to holders of redeemable units	\$ 584,466	\$ 1,069,894
Adjustments for:		
Interest income	—	(1)
Net realized gain from investments	(458,415)	(58,133)
Net change in unrealized appreciation of investments	(586,336)	(1,068,030)
Non cash distributions	459,623	54,543
Other receivables	—	75
BCI cost recoveries payable	(1,020)	49
Other accounts payable	(5)	8
Interest received	—	1
Net sale (purchase) of investments	954,824	(87,150)
	953,137	(88,744)
Financing activities		
Proceeds from issuance of redeemable units	103,716	370,729
Payments on redemption of redeemable units	(1,056,853)	(281,985)
	(953,137)	88,744
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2016 PRIVATE PLACEMENT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 4,667,028	\$ 2,162,423	\$ 4,577,101	\$ 2,658,832
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	\$ 4,667,038	\$ 2,162,433	\$ 4,577,111	\$ 2,658,842

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:

	2021		2020	
	Total	% of Total	Total	% of Total
Net investment-related payables	\$ (7)	— %	\$ —	— %
Unlisted private equity investee funds	3,823,944	81.9	3,892,869	85.1
Direct private equity investments	832,065	17.8	678,320	14.8
BCI money market funds	11,026	0.3	5,912	0.1
Total	\$ 4,667,028	100.0 %	\$ 4,577,101	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

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 1,565,033	33.5 %	\$ 1,705,896	37.3 %
United States Dollar	3,101,970	66.5	2,871,163	62.7
Net foreign currency exposure	\$ 4,667,003	100.0 %	\$ 4,577,059	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, 2021, 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 \$46,670 (2020 - \$45,771), representing 1.0% of the Fund's net assets (2020 - 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	2021	2020
Euro	\$ 72,740	\$ 77,859
United States Dollar	651,568	771,805
Net foreign currency exposure through unfunded capital commitments	\$ 724,308	\$ 849,664

As at December 31, 2021, 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 \$7,243 (2020 - \$8,497). 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Financials	\$ 629,324	13.5 %	\$ 549,686	12.0 %
Industrials	202,741	4.4	128,634	2.8
	832,065	17.9	678,320	14.8
Total Unlisted Private Equity Investee Funds in diversified industries	3,823,944	82.1	3,892,869	85.2
Total	\$ 4,656,009	100.0 %	\$ 4,571,189	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ 629,324	13.5 %	\$ 549,686	12.0 %
North America	202,741	4.4	128,634	2.8
	832,065	17.9	678,320	14.8
Total Unlisted Private Equity Investee Funds diversified globally	3,823,944	82.1	3,892,869	85.2
Total	\$ 4,656,009	100.0 %	\$ 4,571,189	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, 2021, 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 466,704 (2020 - \$457,711), representing 10.0% (2020 - 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.

	2021				2020			
	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	\$ —	\$ (7)	\$ —	\$ (7)	\$ —	\$ —	\$ —	\$ —
Unlisted private equity investee funds	—	—	3,823,944	3,823,944	—	—	3,892,869	3,892,869
Direct private equity investments	—	—	832,065	832,065	—	—	678,320	678,320
BCI money market funds	11,036	—	—	11,036	5,922	—	—	5,922
Total	\$ 11,036	\$ (7)	\$ 4,656,009	\$ 4,667,038	\$ 5,922	\$ —	\$ 4,571,189	\$ 4,577,111

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 678,320	\$ 3,892,869	\$ 4,571,189
Total gains recognized in profit or loss	260,916	775,501	1,036,417
Purchases	—	302,493	302,493
Sales	(107,171)	(1,146,919)	(1,254,090)
Closing balance, end of year	\$ 832,065	\$ 3,823,944	\$ 4,656,009
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

2016 PRIVATE PLACEMENT FUND

	2020			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 597,302	\$ 2,766,150	\$	3,363,452
Total gains recognized in profit or loss	166,785	973,683		1,140,468
Purchases	9,497	426,768		436,265
Sales	(95,264)	(273,732)		(368,996)
Closing balance, end of year	\$ 678,320	\$ 3,892,869	\$	4,571,189
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 168,420	\$ 929,611	\$	1,098,031

During 2021 and 2020, 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:

	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

2020

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 30,564	Net Asset Value	Net Asset Value	\$ 30,564	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 98,070	Market Approach	EBITDA Multiple	12.1x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Direct Private Equity Investments	\$ 549,686	Discounted Cash Flows	Discount Rate	12.0%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 3,491,076	Net Asset Value	Net Asset Value	\$ 3,491,076	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 401,793	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 401,793	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

Discount Rate:

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

Net Asset Value:

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

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

Adjusted Net Asset Value:

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

EBITDA 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.

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%.

	2021	2020
Favourable	\$ 446,371	\$ 457,119
Unfavourable	(446,371)	(457,119)

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	2021			2020		
	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	\$ 5,303,907	\$ 11,036	2	\$ 2,904,346	\$ 5,922
Unlisted private equity investee funds administered by third party managers	13	63,310,430	3,823,944	13	63,911,423	3,892,869

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, 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:

2021

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Hayfin Capital Partners	European credit platform specializing in sourcing structuring, and managing European private debt instruments	Common shares	Subsidiary	U.K.	England	50.6 %	50.6 %
Pilot Air Freight LLC	Freight Forwarding & Logistics	Common shares	Associate	Global	U.S.	41.0 %	41.0 %

2020

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Hayfin Capital Partners	European credit platform specializing in sourcing structuring, and managing European private debt instruments	Common shares	Subsidiary	U.K.	England	62.4 %	62.4 %
Pilot Air Freight LLC	Freight Forwarding & Logistics	Common shares	Associate	Global	U.S.	41.0 %	41.0 %

During 2021 and 2020, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2017 PRIVATE EQUITY FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 18,665
Investments		3,622,516	3,088,169
Total assets		3,622,516	3,106,834
Liabilities			
BCI cost recoveries payable	4	132	1,423
Other accounts payable		31	27
Payable for distribution		—	18,665
		163	20,115
Net assets attributable to holders of redeemable units		\$ 3,622,353	\$ 3,086,719
Number of redeemable units outstanding	5	15,064.071	16,902.801
Net assets attributable to holders of redeemable units per unit		\$ 240	\$ 183
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

2017 PRIVATE EQUITY FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 1,391	\$ —
Change in fair value of investments:			
Net realized gain		227,031	23,957
Net change in unrealized appreciation		663,784	642,303
Total revenue		892,206	666,260
Expenses			
BCI cost recoveries	4	1,546	1,409
Administrative fees		80	38
Pursuit costs		128	—
Total operating expenses		1,754	1,447
Increase in net assets attributable to holders of redeemable units before distributions		890,452	664,813
Distributions to holders of redeemable units		(187,694)	(18,665)
Increase in net assets attributable to holders of redeemable units		\$ 702,758	\$ 646,148

2017 PRIVATE EQUITY FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 3,086,719	\$ 2,066,406
Increase in net assets attributable to holders of redeemable units	702,758	646,148
Redeemable unit transactions:		
Proceeds from units issued	361,803	473,907
Reinvestment of distributions	187,694	18,665
Amounts paid for units redeemed	(716,621)	(118,407)
Net increase (decrease) from redeemable unit transactions	(167,124)	374,165
Balance, end of year	\$ 3,622,353	\$ 3,086,719

2017 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase in net assets attributable to holders of redeemable units	\$ 702,758	\$ 646,148
Adjustments for:		
Net realized gain from investments	(227,031)	(23,957)
Net change in unrealized appreciation of investments	(663,784)	(642,303)
Non cash distributions	187,694	18,665
BCI cost recoveries payable	(1,291)	65
Other accounts payable	4	6
Net sale (purchase) of investments	356,468	(354,124)
	354,818	(355,500)
Financing activities		
Proceeds from issuance of redeemable units	361,803	473,907
Payments on redemption of redeemable units	(716,621)	(118,407)
	(354,818)	355,500
Net change in cash	—	—
Cash, beginning and end of year	\$ —	\$ —

2017 PRIVATE EQUITY FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 3,622,503	\$ 1,878,044	\$ 3,088,156	\$ 2,007,481
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	13	13	13	13
	13	13	13	13
Total Investments	\$ 3,622,516	\$ 1,878,057	\$ 3,088,169	\$ 2,007,494

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

2017 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The investment objectives, eligible investments and general information on the financial risks related to the Private Equity Program are described in note 7 of the financial statements. The information contained in this Financial Risk Management Discussion pertains specifically to the 2017 Private Equity Fund.

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

	2021		2020	
	Total	% of Total	Total	% of Total
Net investment-related payables	\$ —	— %	\$ (1)	— %
Unlisted private equity investee funds	1,869,557	51.6	1,831,317	59.3
Direct private equity investments	1,751,930	48.4	1,246,815	40.4
BCI money market funds	1,016	—	10,025	0.3
Total	\$ 3,622,503	100.0 %	\$ 3,088,156	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 2,213,981	61.1 %	\$ 1,526,689	49.5 %
United States Dollar	1,408,485	38.9	1,561,436	50.6
Net foreign currency exposure	\$ 3,622,466	100.0 %	\$ 3,088,125	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

2017 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, 2021, 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 \$36,225 (2020 - \$30,881), representing 1.0% of the Fund's net assets (2020 - 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	2021		2020	
Euro	\$	166,643	\$	342,303
United States Dollar		395,920		705,338
Net foreign currency exposure through unfunded capital commitments	\$	562,563	\$	1,047,641

As at December 31, 2021, 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 \$5,626 (2020 - \$10,476). 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Consumer Staples	\$ 1,353,933	37.4 %	\$ 878,833	28.5 %
Financials	173,520	4.8	150,137	4.9
Health Care	224,477	6.2	217,845	7.1
	1,751,930	48.4	1,246,815	40.5
Total Unlisted Private Equity Investee Funds in diversified industries	1,869,557	51.6	1,831,317	59.5
Total	\$ 3,621,487	100.0 %	\$ 3,078,132	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Europe	\$ 1,751,930	48.4 %	\$ 1,246,815	40.5 %
	1,751,930	48.4	1,246,815	40.5
Total Unlisted Private Equity Investee Funds diversified globally	1,869,557	51.6	1,831,317	59.5
Total	\$ 3,621,487	100.0 %	\$ 3,078,132	100.0 %

2017 PRIVATE EQUITY FUND

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

As at December 31, 2021, 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 \$362,252 (2020 - \$308,817), representing 10.0% (2020 - 10.0%) of the Fund's net assets attributable to holders of redeemable units.

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

2017 PRIVATE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

Fair Value Hierarchy

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

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

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

	2021				2020			
	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)
Unlisted private equity investee funds	—	—	1,869,557	1,869,557	—	—	1,831,317	1,831,317
Direct private equity investments	—	—	1,751,930	1,751,930	—	—	1,246,815	1,246,815
BCI money market funds	1,029	—	—	1,029	10,038	—	—	10,038
Total	\$ 1,029	\$ —	\$ 3,621,487	\$ 3,622,516	\$ 10,038	\$ (1)	\$ 3,078,132	\$ 3,088,169

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021		
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 1,246,815	\$ 1,831,317	\$ 3,078,132
Total gains recognized in profit or loss	506,083	384,693	890,776
Purchases	—	467,129	467,129
Sales	(968)	(813,582)	(814,550)
Closing balance, end of year	\$ 1,751,930	\$ 1,869,557	\$ 3,621,487
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 505,214	\$ 399,498	\$ 904,712

2017 PRIVATE EQUITY FUND

	2020			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 874,077	\$ 1,193,622	\$ 2,067,699	
Total gains recognized in profit or loss	329,560	344,869	674,429	
Purchases	43,178	445,487	488,665	
Sales	—	(152,661)	(152,661)	
Closing balance, end of year	\$ 1,246,815	\$ 1,831,317	\$ 3,078,132	
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 329,560	\$ 312,400	\$ 641,960	

During 2021 and 2020, 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:

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,751,930	Net Asset Value	Net Asset Value	\$ 1,751,930	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,549,334	Net Asset Value	Net Asset Value	\$ 1,549,334	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 320,223	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 320,223	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 1,246,815	Net Asset Value	Net Asset Value	\$ 1,246,815	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 1,312,709	Net Asset Value	Net Asset Value	\$ 1,312,709	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 518,608	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 518,608	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

2017 PRIVATE EQUITY FUND

Adjusted Net Asset Value:

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

Effects of Unobservable Input on Fair Value Measurement

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

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

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

	2021	2020
Favourable	\$ 362,149	\$ 307,813
Unfavourable	(362,149)	(307,813)

2017 PRIVATE EQUITY FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 1,029	2	\$ 2,904,346	\$ 10,038
Unlisted private equity investee funds administered by third party managers	12	72,275,142	1,869,557	13	51,211,703	1,831,317

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2017 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

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

2021

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Refresco Group N.V.	Industrial Bottling	Limited partnership interest	Associate	Europe, U.K., and U.S.	The Netherlands	29.7 %	29.7 %

2020

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Refresco Group N.V.	Industrial Bottling	Limited partnership interest	Associate	Europe, U.K., and U.S.	The Netherlands	29.8 %	29.8 %

During 2021 and 2020, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2018 PRIVATE EQUITY FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 1,795
Investments		3,386,755	2,319,071
Total assets		3,386,755	2,320,866
Liabilities			
BCI cost recoveries payable	4	150	2,679
Other accounts payable		25	27
Payable for distribution		—	1,795
		175	4,501
Net assets attributable to holders of redeemable units		\$ 3,386,580	\$ 2,316,365
Number of redeemable units outstanding	5	6,725.629	6,110.113
Net assets attributable to holders of redeemable units per unit		\$ 504	\$ 379
<i>Related party transactions</i>	4		
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[S] Gordon J. Fyfe

Gordon J. Fyfe
 Chief Executive Officer
 Chief Investment Officer

2018 PRIVATE EQUITY FUND**Statement of Comprehensive Income**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Interest income		\$ —	\$ 1
Other income	10	5,288	2,274
Foreign exchange gain		542	19
Change in fair value of investments:			
Net realized gain		183,887	3,231
Net change in unrealized appreciation		686,846	210,483
Total revenue		876,563	216,008
Expenses			
BCI cost recoveries	4	1,461	1,770
Administrative fees		60	39
Pursuit costs		66	43
Total operating expenses		1,587	1,852
Increase in net assets attributable to holders of redeemable units before distributions		874,976	214,156
Distributions to holders of redeemable units		(108,537)	(1,803)
Increase in net assets attributable to holders of redeemable units		\$ 766,439	\$ 212,353

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, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 2,316,365	\$ 1,467,166
Increase in net assets attributable to holders of redeemable units	766,439	212,353
Redeemable unit transactions:		
Proceeds from units issued	671,243	664,389
Reinvestment of distributions	108,537	1,803
Amounts paid for units redeemed	(476,004)	(29,346)
Net increase from redeemable unit transactions	303,776	636,846
Balance, end of year	\$ 3,386,580	\$ 2,316,365

2018 PRIVATE EQUITY FUND**Statement of Cash Flows**

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase in net assets attributable to holders of redeemable units	\$ 766,439	\$ 212,353
Adjustments for:		
Foreign exchange gain	(542)	(19)
Net realized gain from investments	(183,887)	(3,231)
Net change in unrealized appreciation of investments	(686,846)	(210,483)
Non cash distributions	108,537	1,803
BCI cost recoveries payable	(2,529)	(284)
Other accounts payable	(2)	6
Net purchase of investments	(196,951)	(635,207)
	(195,781)	(635,062)
Financing activities		
Proceeds from issuance of redeemable units	671,243	664,389
Payments on redemption of redeemable units	(476,004)	(29,346)
	195,239	635,043
Net decrease in cash	(542)	(19)
Effect of exchange rate changes on cash	542	19
Cash, beginning and end of year	\$ —	\$ —

2018 PRIVATE EQUITY FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 3,386,724	\$ 2,222,107	\$ 2,319,060	\$ 1,841,289
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Fund ST3	21	21	1	1
	31	31	11	11
Total Investments	\$ 3,386,755	\$ 2,222,138	\$ 2,319,071	\$ 1,841,300

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:

	2021		2020	
	Total	% of Total	Total	% of Total
Unlisted private equity investee funds	\$ 1,721,211	50.9 %	\$ 1,052,831	45.5 %
Direct private equity investments	1,653,233	48.7	1,262,223	54.3
BCI money market funds	12,280	0.4	4,006	0.2
Total	\$ 3,386,724	100.0 %	\$ 2,319,060	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

At December 31, 2021, 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	2021		2020	
	Net Investments and Investment-Related Receivables/(Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/(Payables)	% of Total Net Assets
Australian Dollar	\$ 38,741	1.1 %	\$ 17,867	0.8 %
Euro	917,026	27.1	637,450	27.5
United States Dollar	2,390,164	70.6	1,627,281	70.3
Net foreign currency exposure	\$ 3,345,931	98.8 %	\$ 2,282,598	98.6 %

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, 2021, 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 \$33,459 (2020 - \$22,826), representing 1.0% of the Fund's net assets (2020 - 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	2021	2020
Australian Dollar	\$ 26,160	\$ 46,070
Euro	313,145	511,927
United States Dollar	622,279	1,038,516
Net foreign currency exposure through unfunded capital commitments	\$ 961,584	\$ 1,596,513

As at December 31, 2021, 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 \$9,616 (2020 - \$15,965). 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Direct Private Equity and Debt Investments				
Consumer Discretionary	\$ 483,904	14.3 %	\$ 201,970	8.7 %
Industrials	196,233	5.8	209,033	9.0
Information Technology	973,096	28.9	851,220	36.8
	1,653,233	49.0	1,262,223	54.5
Total Unlisted Private Equity Investee Funds in diversified industries	1,721,211	51.0	1,052,831	45.5
Total	\$ 3,374,444	100.0 %	\$ 2,315,054	100.0 %

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity Investments				
Direct Private Equity and Debt Investments				
Asia	\$ 237,885	7.0 %	\$ —	— %
Europe	465,470	13.8	445,334	19.2
North America	949,878	28.2	816,889	35.3
	1,653,233	49.0	1,262,223	54.5
Total Unlisted Private Equity Investee Funds diversified globally	1,721,211	51.0	1,052,831	45.5
Total	\$ 3,374,444	100.0 %	\$ 2,315,054	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, 2021, 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 \$338,676 (2020 - \$231,907), representing 10.0% (2020 - 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.

	2021				2020			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ —	\$ 1,721,211	\$ 1,721,211	\$ —	\$ —	\$ 1,052,831	\$ 1,052,831
Direct private equity investments	—	—	1,653,233	1,653,233	—	—	1,262,223	1,262,223
BCI money market funds	12,311	—	—	12,311	4,017	—	—	4,017
Total	\$ 12,311	\$ —	\$ 3,374,444	\$ 3,386,755	\$ 4,017	\$ —	\$ 2,315,054	\$ 2,319,071

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	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

2018 PRIVATE EQUITY FUND

	2020			
	Direct Private Equity Investments	Unlisted Private Equity Investee Funds	Total	
Opening balance, beginning of year	\$ 1,080,685	\$ 388,472	\$ 1,469,157	
Total gains recognized in profit or loss	34,188	180,681	214,869	
Purchases	147,556	598,135	745,691	
Sales	(206)	(114,457)	(114,663)	
Closing balance, end of year	\$ 1,262,223	\$ 1,052,831	\$ 2,315,054	
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 34,005	\$ 163,619	\$ 197,624	

During 2021 and 2020, 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:

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).
2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 809,826	Net Asset Value	Net Asset Value	\$ 809,826	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 243,364	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 243,364	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Direct Private Equity Investments	\$ 209,033	Discounted Cash Flows	Discount Rate	7.4%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Equity Investee Funds	\$ 1,052,831	Net Asset Value	Net Asset Value	\$ 1,052,831	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

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.

Discount Rate:

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

Adjusted Net Asset Value:

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

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%.

	2021	2020
Favourable	\$ 337,444	\$ 231,505
Unfavourable	(337,444)	(231,505)

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	2021			2020		
	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	\$ 5,303,907	\$ 12,311	2	\$ 2,904,346	\$ 4,017
Unlisted private equity investee funds administered by third party managers	13	43,176,702	1,721,211	14	19,637,200	1,052,831

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, 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:

2021							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Greenheart Gas LLC	Shipping	Common shares	Associate	U.S.	U.S.	45.6 %	45.6 %
Verifone System Inc.	Financial Services	Common shares	Associate	U.S.	U.S.	19.9 %	19.9 %

2020							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Global Restaurant Group Ltd	Restaurant franchiser and operator	Common shares	Subsidiary	South Korea	South Korea	41.9 %	41.9 %
Greenheart Gas LLC	Shipping	Common shares	Associate	U.S.	U.S.	46.2 %	46.2 %
Springs Window Fashions	Industrials - Home Decor	Common shares	Associate	North America	U.S.	45.5 %	45.5 %
Verifone System Inc.	Financial Services	Common shares	Associate	U.S.	U.S.	19.9 %	19.9 %

During 2021 and 2020, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2019 PRIVATE EQUITY FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 7,147
Investments		3,863,945	1,949,240
Total assets		3,863,945	1,956,387
Liabilities			
BCI cost recoveries payable	4	151	1,320
Other accounts payable		24	27
Payable for distribution		—	7,147
		175	8,494
Net assets attributable to holders of redeemable units		\$ 3,863,770	\$ 1,947,893
Number of redeemable units outstanding	5	689,698,932.140	477,259,071.230
Net assets attributable to holders of redeemable units per unit		\$ —	\$ —
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[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, 2021, with comparative information for 2020

Revenue	NOTES	2021	2020
Interest income		\$ —	\$ 13
Other income	10	2,777	379
Foreign exchange gain (loss)		(3)	89
Change in fair value of investments:			
Net realized gain		16,388	8,046
Net change in unrealized appreciation		974,834	271,597
Total revenue		993,996	280,124
Expenses			
BCI cost recoveries	4	1,727	10,386
Administrative fees		43	35
Pursuit costs		58	1,041
Total operating expenses		1,828	11,462
Increase in net assets attributable to holders of redeemable units before distributions		992,168	268,662
Distributions to holders of redeemable units		—	(7,147)
Increase in net assets attributable to holders of redeemable units		\$ 992,168	\$ 261,515

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, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 1,947,893	\$ 1,141,874
Increase in net assets attributable to holders of redeemable units	992,168	261,515
Redeemable unit transactions:		
Proceeds from units issued	1,011,918	664,386
Reinvestment of distributions	—	7,147
Amounts paid for units redeemed	(88,209)	(127,029)
Net increase from redeemable unit transactions	923,709	544,504
Balance, end of year	\$ 3,863,770	\$ 1,947,893

2019 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for 2020

Operating activities	2021	2020
Increase in net assets attributable to holders of redeemable units	\$ 992,168	\$ 261,515
Adjustments for:		
Foreign exchange (gain) loss	3	(89)
Interest income	—	(13)
Net realized gain from investments	(16,388)	(8,046)
Net change in unrealized appreciation of investments	(974,834)	(271,597)
Non cash distributions	—	7,147
BCI cost recoveries payable	(1,169)	(1,516)
Other accounts payable	(3)	(323)
Interest received	—	13
Net purchase of investments	(923,483)	(524,537)
	(923,706)	(537,446)
Financing activities		
Proceeds from issuance of redeemable units	1,011,918	664,386
Payments on redemption of redeemable units	(88,209)	(127,029)
	923,709	537,357
Net increase (decrease) in cash	3	(89)
Effect of exchange rate changes on cash	(3)	89
Cash, beginning and end of year	\$ —	\$ —

2019 PRIVATE EQUITY FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 3,863,934	\$ 2,605,606	\$ 1,949,229	\$ 1,665,735
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	\$ 3,863,945	\$ 2,605,617	\$ 1,949,240	\$ 1,665,746

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:

	2021		2020	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ 15,791	0.4 %	\$ 11,203	0.6 %
Direct private debt investments	435,192	11.3	388,307	19.9
Unlisted private equity investee funds	2,272,274	58.8	683,463	35.1
Direct private equity investments	1,140,642	29.5	866,231	44.4
Foreign currency contracts, net	—	—	(8)	—
BCI money market funds	35	—	33	—
Total	\$ 3,863,934	100.0 %	\$ 1,949,229	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, 2021 and 2020, the Fund had no other assets or liabilities which change in value as a result of changes in interest rates.

Currency Risk

At December 31, 2021, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

2019 PRIVATE EQUITY FUND

CURRENCY	2021		2020	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Australian Dollar	\$ 191,033	4.9 %	\$ 188,763	9.7 %
British Pound Sterling	766,724	19.8	479,476	24.6
Euro	802,827	20.8	240,673	12.4
United States Dollar	2,103,329	54.4	1,040,297	53.4
Net foreign currency exposure	\$ 3,863,913	99.9 %	\$ 1,949,209	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, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$38,639 (2020 - \$19,492), representing 1.0% of the Fund's net assets (2020 - 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	2021	2020
Australian Dollar	\$ 9,934	\$ —
British Pound Sterling	23,098	91,865
Euro	551,722	844,845
United States Dollar	1,118,302	1,866,477
Net foreign currency exposure through unfunded capital commitments	\$ 1,703,056	\$ 2,803,187

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$17,031 (2020 - \$28,032). 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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Consumer Discretionary	\$ 186,418	4.8 %	\$ 187,101	9.7 %
Financials	547,804	14.2	381,277	19.7
Health Care	412,434	10.7	378,161	19.5
Information Technology	186,686	4.9	99,702	5.1
Telecommunication Services	242,492	6.3	208,297	10.7
	1,575,834	40.9	1,254,538	64.7
Total Unlisted Private Equity Investee Funds in diversified industries	2,272,274	59.1	683,463	35.3
Total	\$ 3,848,108	100.0 %	\$ 1,938,001	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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Asia	\$ 368,787	9.6 %	\$ 278,701	14.4 %
Europe	552,121	14.3	389,379	20.1
North America	654,926	17.0	586,458	30.2
	1,575,834	40.9	1,254,538	64.7
Total Unlisted Private Equity Investee Funds diversified globally	2,272,274	59.1	683,463	35.3
Total	\$ 3,848,108	100.0 %	\$ 1,938,001	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, 2021, 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 386,395 (2020 - \$194,924), representing 10.0% (2020 - 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.

	2021				2020			
	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	\$ —	\$ 15,791	\$ —	\$ 15,791	\$ —	\$ 11,203	\$ —	\$ 11,203
Direct private debt investments	—	—	435,192	435,192	—	—	388,307	388,307
Unlisted private equity investee funds	—	—	2,272,274	2,272,274	—	—	683,463	683,463
Direct private equity investments	—	—	1,140,642	1,140,642	—	—	866,231	866,231
Foreign currency contracts, net	—	—	—	—	—	(8)	—	(8)
BCI money market funds	46	—	—	46	44	—	—	44
Total	\$ 46	\$ 15,791	\$ 3,848,108	\$ 3,863,945	\$ 44	\$ 11,195	\$ 1,938,001	\$ 1,949,240

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

	2021			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ 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 year	\$ 1,140,642	\$ 435,192	\$ 2,272,274	\$ 3,848,108
Total unrealized gains (losses) for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 269,281	\$ (13,126)	\$ 637,132	\$ 893,287

2019 PRIVATE EQUITY FUND

	2020					
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds			Total
Opening balance, beginning of period	\$ 549,242	\$ 339,097	\$ 248,398	\$		1,136,737
Total gains recognized in profit or loss	136,685	7,805	102,994			247,484
Purchases	196,038	2,603	501,416			700,057
Sales	(15,734)	38,802	(169,345)			(146,277)
Closing balance, end of period	\$ 866,231	\$ 388,307	\$ 683,463	\$	\$	1,938,001
Total unrealized gains for the period included in profit or loss related to level 3 investments held at the reporting date						
	\$ 131,658	\$ 6,966	\$ 92,806	\$	\$	231,430

During 2021 and 2020, 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:

	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

2020

	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 866,231	Net Asset Value	Net Asset Value	\$ 866,231	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 584,908	Net Asset Value	Net Asset Value	\$ 584,908	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Equity Investee Funds	\$ 98,555	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 98,555	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Direct Private Debt Investments	\$ 380,204	Net Asset Value	Net Asset Value	380,204	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 8,103	Discounted Cash Flows	Discount Rate	14.1%	N/A	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

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.

2019 PRIVATE EQUITY FUND

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%.

	2021	2020
Favourable	\$ 384,811	\$ 193,800
Unfavourable	(384,811)	(193,800)

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	2021			2020		
	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	\$ 5,303,907	\$ 46	2	\$ 2,904,346	\$ 44
Unlisted private equity investee funds administered by third party managers	14	37,741,257	2,272,274	11	9,594,498	683,463

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, 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:

2021

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

2020

Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Blackwood TopCo Limited	Insurance Distribution	Common shares and debt interest	Associate	Western Europe	U.K.	49.8 %	49.8 %
Searchlight Capital II OPT	Telecommunication Services	Common shares	Associate	North America	U.S.	16.8 %	16.8 %
Valence ST LP	Industrials	Common shares	Associate	North America	U.S.	44.2 %	44.2 %

During 2021 and 2020, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2020 PRIVATE EQUITY FUND

Statement of Financial Position

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

As at December 31, 2021, with comparative information for 2020

Assets	NOTES	2021	2020
Receivable from reinvestment of distributions		\$ —	\$ 726
Investments		1,763,665	695,162
Total assets		1,763,665	695,888
Liabilities			
BCI cost recoveries payable	4	98	2,474
Other accounts payable		24	156
Payable for distribution		—	726
		122	3,356
Net assets attributable to holders of redeemable units		\$ 1,763,543	\$ 692,532
Number of redeemable units outstanding	5	423.358	206.730
Net assets attributable to holders of redeemable units per unit		\$ 4,166	\$ 3,350
<i>Unfunded committed capital</i>	6		
<i>Uncertainties related to COVID-19</i>	11		
<i>Subsequent events</i>	12		

[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, 2021, with comparative information for the period ended December 31, 2020

Revenue	NOTES	2021	2020
Other income	10	\$ 2,604	\$ —
Change in fair value of investments:			
Net realized gain		1,373	726
Net change in unrealized appreciation		361,880	28,422
Total revenue		365,857	29,148
Expenses			
BCI cost recoveries	4	9,615	26,675
Administrative fees		35	27
Pursuit costs		3,917	795
Total operating expenses		13,567	27,497
Increase in net assets attributable to holders of redeemable units before distributions		352,290	1,651
Distributions to holders of redeemable units		—	(726)
Increase in net assets attributable to holders of redeemable units		\$ 352,290	\$ 925

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, 2021, with comparative information for the period ended December 31, 2020

	2021	2020
Balance, beginning of period	\$ 692,532	\$ —
Increase in net assets attributable to holders of redeemable units	352,290	925
Redeemable unit transactions:		
Proceeds from units issued	737,672	734,511
Reinvestment of distributions	—	726
Amounts paid for units redeemed	(18,951)	(43,630)
Net increase from redeemable unit transactions	718,721	691,607
Balance, end of period	\$ 1,763,543	\$ 692,532

2020 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2021, with comparative information for the period ended December 31, 2020

Operating activities	2021	2020
Increase in net assets attributable to holders of redeemable units	\$ 352,290	\$ 925
Adjustments for:		
Net realized gain from investments	(1,373)	(726)
Net change in unrealized appreciation of investments	(361,880)	(28,422)
Non cash distributions	—	726
BCI cost recoveries payable	(2,376)	2,474
Other accounts payable	(132)	156
Net purchase of investments	(705,250)	(666,014)
	(718,721)	(690,881)
Financing activities		
Proceeds from issuance of redeemable units	737,672	734,511
Payments on redemption of redeemable units	(18,951)	(43,630)
	718,721	690,881
Net change in cash	—	—
Cash, beginning and end of period	\$ —	\$ —

2020 PRIVATE EQUITY FUND**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021, with comparative information for 2020

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Private Equity Investments ¹	\$ 1,763,642	\$ 1,373,340	\$ 695,152	\$ 666,730
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	10	10	10	10
Fund ST3	13	13	—	—
	23	23	10	10
Total Investments	\$ 1,763,665	\$ 1,373,363	\$ 695,162	\$ 666,740

¹ The private equity investments are held through private corporations.

2020 PRIVATE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

	2021		2020	
	Total	% of Total	Total	% of Total
Net investment-related receivables	\$ 17,004	1.0 %	\$ 3,025	0.4 %
Direct private debt investments	109,470	6.2	108,258	15.6
Unlisted private equity investee funds	368,608	20.9	35,604	5.1
Direct private equity investments	1,261,874	71.5	548,247	78.9
BCI money market funds	6,686	0.4	18	—
Total	\$ 1,763,642	100.0 %	\$ 695,152	100.0 %

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

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

As at December 31, 2021, the Fund had no other assets or liabilities which change in value as a result of changes in interest rates.

Currency Risk

At December 31, 2021, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

2020 PRIVATE EQUITY FUND

CURRENCY	2021		2020	
	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	\$ 254,849	14.5 %	\$ —	— %
Euro	641,294	36.4	483,919	69.9
United States Dollar	867,510	49.2	211,227	30.5
Net foreign currency exposure	\$ 1,763,653	100.1 %	\$ 695,146	100.4 %

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

As at December 31, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$17,637 (2020 - \$6,951), representing 1.0% of the Fund's net assets (2020 - 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	2021	2020
British Pound Sterling	\$ —	\$ 169,738
Euro	428,759	613,772
United States Dollar	708,107	1,004,490
Net foreign currency exposure through unfunded capital commitments	\$ 1,136,866	\$ 1,788,000

As at December 31, 2021, 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 \$11,369 (2020 - \$17,880). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

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

Other Price Risk

The Fund's underlying investments include shares 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:

2020 PRIVATE EQUITY FUND

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Financials	\$ 254,849	14.6 %	\$ —	— %
Industrials	721,403	41.5	471,002	68.1
Information Technology	238,303	13.7	82,384	11.9
Telecommunication Services	156,789	9.0	103,119	14.9
	1,371,344	78.8	656,505	94.9
Total Unlisted Private Equity Investee Funds in diversified industries	368,608	21.2	35,604	5.1
Total	\$ 1,739,952	100.0 %	\$ 692,109	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	2021		2020	
	Total	% of Total	Total	% of Total
Direct Private Equity and Debt Investments				
Asia	\$ 155	— %	\$ 20,938	3.0 %
Canada	14,394	0.8	—	—
Europe	828,424	47.6	471,002	68.1
North America	528,371	30.4	164,565	23.8
	1,371,344	78.8	656,505	94.9
Total Unlisted Private Equity Investee Funds diversified globally	368,608	21.2	35,604	5.1
Total	\$ 1,739,952	100.0 %	\$ 692,109	100.0 %

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

As at December 31, 2021, 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 \$176,367 (2020 - \$69,516), representing 10.0% (2020 - 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.

	2021				2020			
	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	\$ —	\$ 3,025	\$ —	\$ 3,025
Direct private debt investments	—	—	109,470	109,470	—	—	108,258	108,258
Unlisted private equity investee funds	—	—	368,608	368,608	—	—	35,604	35,604
Direct private equity investments	—	—	1,261,874	1,261,874	—	—	548,247	548,247
BCI money market funds	6,709	—	—	6,709	28	—	—	28
Total	\$ 6,709	\$ 17,004	\$ 1,739,952	\$ 1,763,665	\$ 28	\$ 3,025	\$ 692,109	\$ 695,162

During 2021 and 2020, there were no significant transfers between Level 1 and Level 2.

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

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

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

2020 PRIVATE EQUITY FUND

	2020			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Opening balance, beginning of year	\$ —	\$ —	\$ —	—
Total gains recognized in profit or loss	2,695	2,834	16,612	22,141
Purchases	545,484	101,121	74,271	720,876
Transfers	—	—	—	—
Sales	68	4,303	(55,279)	(50,908)
Closing balance, end of year	\$ 548,247	\$ 108,258	\$ 35,604	\$ 692,109
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date				
	\$ 2,695	\$ 2,717	\$ 16,561	\$ 21,973

During 2021 and 2020, there were no significant transfers into or out of Level 3.

2020 PRIVATE EQUITY FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

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).

2020						
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 445,128	Net Asset Value	Net Asset Value	\$ 445,128	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Equity Investments	\$ 103,119	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 103,119	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Unlisted Private Equity Investee Funds	\$ 35,604	Net Asset Value	Net Asset Value	\$ 35,604	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 108,258	Net Asset Value	Net Asset Value	\$ 108,258	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

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

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

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%.

	2021	2020
Favourable	\$ 172,556	\$ 69,211
Unfavourable	(172,556)	(69,211)

2020 PRIVATE EQUITY FUND

Involvement with Structured Entities

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

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

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

Entity	2021			2020		
	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	\$ 5,303,907	\$ 6,709	—	\$ 2,904,346	\$ 28
Unlisted private equity investee funds administered by third party managers	10	14,311,183	368,608	—	414,441	35,604

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2021 and 2020, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2020 PRIVATE EQUITY FUND

Involvement with Subsidiaries and Associates

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

2021							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Maple FeederCo Limited	Financials	Preferred shares	Associate	Europe	U.K.	45.8 %	45.8 %
Waterlogic Plc	Business Services	Common shares	Associate	Europe	U.K.	22.8 %	22.8 %
THL Equity Fund VIII Investors (Csafe), L.P.	Industrials	Common shares	Associate	North America	U.S.	14.2 %	14.2 %

2020							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Waterlogic Plc	Business Services	Common shares	Associate	Europe	U.K.	23.4 %	23.4 %

During 2021 and 2020, the Fund did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Fund.

2021 PRIVATE EQUITY FUND

Statement of Financial Position

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

As at December 31, 2021 (note 1)

Assets	NOTES	2021
Investments	\$	773,222
Total assets		773,222
Liabilities		
BCI cost recoveries payable	4	2,900
Other accounts payable		246
		3,146
Net assets attributable to holders of redeemable units	\$	770,076
Number of redeemable units outstanding	5	806,393
Net assets attributable to holders of redeemable units per unit	\$	955
<i>Unfunded committed capital</i>	6	
<i>Uncertainties related to COVID-19</i>	11	
<i>Subsequent events</i>	12	

[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)

Period ended December 31, 2021 (note 1)

Revenue	NOTES	2021
Other income	\$	4,703
Foreign exchange loss		(93)
Change in fair value of investments:		
Net realized loss		(493)
Net change in unrealized appreciation		103,537
Total revenue		107,654
Expenses		
BCI cost recoveries	4	26,251
Administrative fees		31
Pursuit costs		5,060
Total operating expenses		31,342
Increase in net assets attributable to holders of redeemable units before distributions		76,312
Distributions to holders of redeemable units		(10)
Increase in net assets attributable to holders of redeemable units	\$	76,302

2021 PRIVATE EQUITY FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Period ended December 31, 2021 (note 1)

	2021
Balance, beginning of period	\$ —
Increase in net assets attributable to holders of redeemable units	76,302
Redeemable unit transactions:	
Proceeds from units issued	708,834
Reinvestment of distributions	10
Amounts paid for units redeemed	(15,070)
Net increase from redeemable unit transactions	693,774
Balance, end of period	\$ 770,076

2021 PRIVATE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Period ended December 31, 2021 (note 1)

Operating activities	2021
Increase in net assets attributable to holders of redeemable units	\$ 76,302
Adjustments for:	
Foreign exchange loss	93
Net realized loss from investments	493
Net change in unrealized appreciation of investments	(103,537)
Non cash distributions	10
BCI cost recoveries payable	2,900
Other accounts payable	246
Net purchase of investments	(670,178)
	(693,671)
Financing activities	
Proceeds from issuance of redeemable units	708,834
Payments on redemption of redeemable units	(15,070)
	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, 2021

	2021	
	Fair Value	Cost
Private Equity Investments ¹	\$ 773,201	\$ 669,665
Money Market Investments		
Units in BCI Pooled Investment Portfolio		
Fund ST1	8	8
Fund ST3	13	12
	21	20
Total Investments	\$ 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:

	2021	
	Total	% of Total
Unlisted private equity investee funds	\$ 476,850	61.7 %
Direct private equity investments	296,328	38.3
BCI money market funds	23	—
Total	\$ 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

At December 31, 2021, 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	2021	
	Net Investments and Investment-Related Receivables/ (Payables)	% of Total Net Assets
Euro	\$ 167,620	21.8 %
United States Dollar	606,032	78.7
Net foreign currency exposure	\$ 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, 2021, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$7,737 representing 1.0% of the Fund's net assets. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

CURRENCY	2021
Australian Dollar	\$ 156,858
Euro	856,369
United States Dollar	2,993,903
Net foreign currency exposure through unfunded capital commitments	\$ 4,007,130

As at December 31, 2021, 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 \$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	2021	
	Total	% of Total
Direct Private Equity Investments		
Consumer Discretionary	\$ 179,919	23.2 %
Financials	63,339	8.2
Industrials	53,070	6.9
	296,328	38.3 %
Total Unlisted Private Equity Investee Funds in diversified industries	476,850	61.7
Total	\$ 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	2021	
	Total	% of Total
Direct Private Equity Investments		
Asia	\$ 179,907	23.3 %
Europe	7,097	0.9
North America	109,324	14.1
	296,328	38.3
Total Unlisted Private Equity Investee Funds diversified globally	476,850	61.7
Total	\$ 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, 2021, 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 \$77,322, representing 10.0% of the Fund's net assets attributable to holders of redeemable units.

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

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.

	2021		
	Level 1 (Quoted Price in Active Market)	Level 3 (Significant Unobservable Inputs)	Total
Unlisted private equity investee funds	\$ —	\$ 476,850	\$ 476,850
Direct private equity investments	—	296,328	296,328
BCI money market funds	44	—	44
Total	\$ 44	\$ 773,178	\$ 773,222

During 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.

	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 period included in profit or loss related to level 3 investments held at the reporting date	\$ 50,570	\$ 52,079	\$ 102,649

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

2021 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:

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 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.

2021 PRIVATE EQUITY FUND

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

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

		2021
Favourable	\$	172,556
Unfavourable		(172,556)

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:

2021			
Entity	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 5,303,907	\$ 6,709
Unlisted private equity investee funds administered by third party managers	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 2021, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

2021 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:

2021							
Entity	Nature and Purpose of Entity	Interests Held	Relationship	Principal Place of Business	County of Incorporation / Registration	Ownership Interest	Voting Rights
Butterfly Whisk Co-Invest-B, L.P.	Consumer Staples	Common Equity	Associate	North America	U.S.	17.1 %	17.1 %
Carriage Holdings SPV, L.P.	Financials	Limited Partnership Units	Associate	North America	U.S.	30.3 %	30.3 %

During 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
Private Placement Fund 1997	March 12, 1997	2012 Private Placement Fund	March 1, 2012
2001 Private Placement Fund	January 1, 2004	2013 Private Placement Fund	March 4, 2013
2003 Private Placement Fund	January 1, 2004	2014 Private Placement Fund	February 14, 2014
2004 Private Placement Fund	January 1, 2004	2015 Private Placement Fund	February 5, 2015
2005 Private Placement Fund	January 1, 2005	2016 Private Placement Fund	January 11, 2016
2006 Private Placement Fund	January 27, 2006	2017 Private Equity Fund	February 9, 2017
2007 Private Placement Fund	January 11, 2007	2018 Private Equity Fund	February 5, 2018
2008 Private Placement Fund	January 9, 2008	2019 Private Equity Fund	January 14, 2019
2009 Private Placement Fund	January 13, 2009	2020 Private Equity Fund	January 21, 2020
2010 Private Placement Fund	January 29, 2010	2021 Private Equity Fund	February 1, 2021
2011 Private Placement Fund	February 11, 2011		

As 2021 Private Equity Fund was established in 2021, no comparative figures have been presented in the respective financial statements.

2. BASIS OF PRESENTATION

Statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). These financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on July 12, 2022.

(a) 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.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue 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. The Funds' investments and redeemable units are classified as FVTPL.

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

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

(iii) Amortized cost

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

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

(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

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

(e) Revenue recognition

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined using the average cost basis of the respective investments.

(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) Changes in material accounting policies

Effective January 1, 2021, BCI adopted *Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16)* (the "Phase 2 amendments"). The Phase 2 amendments were issued in response to the market transition away from interbank offered rates ("IBORs") to alternative benchmark rates ("ABRs") as part of the IBOR reform ("the Reform").

The transition from IBORs to ABRs impacted financial instruments referencing London Interbank Offered Rates ("LIBOR"). The Reform presents a number of risks, including updating systems and processes, amending contracts or existing fallback clauses, and communicating with counterparties on the Reform. Note 7 provides information on BCI's risk management framework adopted to address the risks that arise from the transition. There is no significant impact of this new standard on the financial statements of the Funds.

Effective January 1, 2021, BCI early adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*. There is no significant impact of this new standard on the financial statements of the Funds.

(i) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations as listed below are not yet effective for the year ended December 31, 2021, 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, 2022:

- Annual improvements to IFRS standards 2018–2020
- Property, plant and equipment — proceeds before intended use (amendments to IAS 16)
- Reference to the Conceptual Framework (amendments to IFRS 3)

Effective on January 1, 2023:

- IFRS 17 - Insurance contracts
- Classification of liabilities as current or non-current (amendments to IAS 1)
- Definition of accounting estimates (amendments to IAS 8)

4. RELATED PARTY TRANSACTIONS

The Funds' related parties include BCI; QuadReal Property Group Limited Partnership or its affiliates ("QuadReal"), BCI's wholly-owned real estate and real estate debt asset management platform company; the Province of British Columbia and related entities; investments where the Fund has a controlling interest or significant influence; entities with common ownership; and other related entities for which the Fund provides investment management services. The Funds had the following transactions with related parties during the year.

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.

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:

	PRIVATE PLACEMENT FUND 1997		2001 PRIVATE PLACEMENT FUND		2003 PRIVATE PLACEMENT FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	0.616	0.760	0.199	0.173	2.664	3.105
Issued for cash	0.040	0.034	0.030	0.026	0.119	0.086
Issued on reinvestment of distributions	—	0.118	—	—	0.855	0.787
Consolidation of units	—	(0.118)	—	—	(0.855)	(0.787)
Redeemed	(0.203)	(0.178)	(0.083)	—	(1.551)	(0.527)
Outstanding, end of period	0.453	0.616	0.146	0.199	1.232	2.664

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 (All amounts expressed in thousands of dollars, unless otherwise noted)

	2004 PRIVATE PLACEMENT FUND		2005 PRIVATE PLACEMENT FUND		2006 PRIVATE PLACEMENT FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	2.211	2.246	14.869	21.944	24.534	32.488
Issued for cash	0.241	0.201	0.115	0.281	0.043	0.067
Issued on reinvestment of distributions	—	0.008	7.934	4.892	5.610	4.650
Consolidation of units	—	(0.008)	(7.934)	(4.892)	(5.610)	(4.650)
Redeemed	(0.774)	(0.236)	(12.392)	(7.356)	(20.916)	(8.021)
Outstanding, end of period	1.678	2.211	2.592	14.869	3.661	24.534

	2007 PRIVATE PLACEMENT FUND		2008 PRIVATE PLACEMENT FUND		2009 PRIVATE PLACEMENT FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	43.767	64.867	48.793	59.857	114.977	212.231
Issued for cash	0.126	0.190	0.142	0.534	0.109	0.230
Issued on reinvestment of distributions	15.307	12.581	12.955	6.642	75.285	37.121
Consolidation of units	(15.307)	(12.581)	(12.955)	(6.642)	(75.285)	(37.121)
Redeemed	(37.314)	(21.290)	(21.407)	(11.598)	(69.817)	(97.484)
Outstanding, end of period	6.579	43.767	27.528	48.793	45.269	114.977

	2010 PRIVATE PLACEMENT FUND		2011 PRIVATE PLACEMENT FUND		2012 PRIVATE PLACEMENT FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	146.269	178.973	232.383	236.242	762.091	1,090.235
Issued for cash	0.431	0.281	1.688	6.706	1.538	7.033
Issued on reinvestment of distributions	29.738	15.239	23.494	4.814	315.210	166.691
Consolidation of units	(29.738)	(15.239)	(23.494)	(4.814)	(315.210)	(166.691)
Redeemed	(114.381)	(32.985)	(82.632)	(10.565)	(623.593)	(335.177)
Outstanding, end of period	32.319	146.269	151.439	232.383	140.036	762.091

	2013 PRIVATE PLACEMENT FUND		2014 PRIVATE PLACEMENT FUND		2015 PRIVATE PLACEMENT FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	153.801	231.902	10.397	10.797	666.732	822.470
Issued for cash	1.211	4.835	72.263	0.340	12.704	38.622
Issued on reinvestment of distributions	40.853	37.218	2.877	0.242	166.603	87.120
Consolidation of units	(40.853)	(37.218)	(2.877)	(0.242)	(166.603)	(87.120)
Redeemed	(65.450)	(82.936)	(25.256)	(0.740)	(337.790)	(194.360)
Outstanding, end of period	89.562	153.801	57.404	10.397	341.646	666.732

	2016 PRIVATE PLACEMENT FUND		2017 PRIVATE EQUITY FUND		2018 PRIVATE EQUITY FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	6,323.835	6,163.793	16,902.801	14,469.885	6,110.113	4,240.379
Issued for cash	160.286	686.794	1,960.501	3,234.824	1,716.195	1,955.285
Issued on reinvestment of distributions	557.255	85.924	888.248	114.577	245.808	4.974
Consolidation of units	(557.255)	(85.924)	(888.248)	(114.577)	(245.808)	(4.974)
Redeemed	(1,445.321)	(526.752)	(3,799.231)	(801.908)	(1,100.679)	(85.551)
Outstanding, end of period	5,038.800	6,323.835	15,064.071	16,902.801	6,725.629	6,110.113

	2019 PRIVATE EQUITY FUND		2020 PRIVATE EQUITY FUND		2021 PRIVATE EQUITY FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	477,259,071.230	328,067,655.426	206.730	—	—	—
Issued for cash	232,302,308.820	183,529,503.705	222.063	220.044	824.476	—
Issued on reinvestment of distributions	—	2,382,333.333	—	0.217	—	—
Consolidation of units	—	(2,382,333.333)	—	(0.217)	—	—
Redeemed	(19,862,447.910)	(34,338,087.901)	(5.435)	(13.314)	(18.083)	—
Outstanding, end of period	689,698,932.140	477,259,071.230	423.358	206.730	806.393	—

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, 2021	December 31, 2020
Private Placement Fund 1997	12,158	14,594
2001 Private Placement Fund	411	414
2003 Private Placement Fund	—	1,139
2004 Private Placement Fund	828	9,856
2005 Private Placement Fund	18,495	19,355
2006 Private Placement Fund	3,835	8,363
2007 Private Placement Fund	25,495	41,248
2008 Private Placement Fund	36,055	57,816
2009 Private Placement Fund	16,160	24,552
2010 Private Placement Fund	22,428	35,754
2011 Private Placement Fund	32,869	41,691
2012 Private Placement Fund	52,359	75,680
2013 Private Placement Fund	64,684	98,430
2014 Private Placement Fund	26,709	57,269
2015 Private Placement Fund	176,407	208,715
2016 Private Placement Fund	724,308	849,664
2017 Private Equity Fund	562,563	1,047,641
2018 Private Equity Fund	1,010,950	1,653,829
2019 Private Equity Fund	1,703,056	2,803,187
2020 Private Equity Fund	1,136,866	1,788,000
2021 Private Equity Fund	4,007,130	—

7. FINANCIAL RISK MANAGEMENT

(a) Risk management framework

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

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

	Benchmark	Performance Objectives
Private equity fund investments	Morgan Stanley Capital International (MSCI) All County World Net Index plus 200 basis points ("bps")	To exceed the benchmark return by 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
Mezzanine	Cost of capital of at least 8.8%	To exceed the benchmark return by 149 bps per annum, net of all investment expenses incurred
Strategic Opportunities	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) and U.S. Dollar Money Market Fund (ST3); and
- units in BCI's Floating Rate Funds.

The following restriction applies to the Funds' investing activities:

- direct investments in one particular company may not exceed 30% of the Private Placement Program's allocation to direct investments (calculated based on commitment values);
- the Funds may not sell short, borrow securities, or purchase securities using a margin account;
- 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 and cash equivalents are not subject to significant credit risk as exposure to credit risk is limited by holdings its cash and cash equivalents 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. The reform aimed 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 its investments in debt investments that are being replaced or reformed as part of this market-wide initiative.

The main risks to which the Fund has 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.

As at December 31, 2021, the IBOR reform in respect of interest rates to which the Funds have exposure to has been completed. The Funds were not significantly impacted by the IBOR reform.

In May 2022, the benchmark administrator of CDOR, Refinitiv Benchmark Services (UK) Limited ("RBSL"), published a CDOR cessation notice stating that the calculation and publication of all tenors of CDOR will permanently cease in 2024. In anticipation of the CDOR cessation notice, BCI began impact and transition planning and BCI will continue to adhere to guidance from the administrator, the Canadian Alternative Reference Rate Working Group, and market developments throughout the transition.

(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.

As a result of the COVID-19 pandemic, there continues to be significant volatility and uncertainty in securities markets. The duration and impact of the COVID-19 pandemic remains uncertain at this time, and accordingly the pandemic may continue to affect the Funds' investment portfolio.

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, receivable from reinvestment of distributions, other accounts payable, payable for distribution, 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, 2021:

Pooled Investment Portfolios	Net Capital Losses	Non Capital Losses
Private Placement Fund 1997	185	72
2001 Private Placement Fund	6	164
2003 Private Placement Fund	9	—
2004 Private Placement Fund	76	70
2005 Private Placement Fund	8	—
2006 Private Placement Fund	3,405	—
2008 Private Placement Fund	3,161	—
2009 Private Placement Fund	4	—
2015 Private Placement Fund	2,356	—
2016 Private Placement Fund	13	—
2018 Private Equity Fund	104	—
2019 Private Equity Fund	7,993	1,308
2020 Private Equity Fund	89	36,997

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	
Private Placement Fund 1997	—	—	—	72	—	72
2001 Private Placement Fund	—	—	91	73	—	164
2004 Private Placement Fund	—	—	—	70	—	70
2019 Private Equity Fund	—	—	—	1,308	—	1,308
2020 Private Equity Fund	—	—	—	27,497	9,500	36,997

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
Private Placement Fund 1997	\$ 164
2001 Private Placement Fund	75
2003 Private Placement Fund	162
2004 Private Placement Fund	174
2005 Private Placement Fund	552
2006 Private Placement Fund	368
2007 Private Placement Fund	604
2008 Private Placement Fund	497
2009 Private Placement Fund	827
2010 Private Placement Fund	323
2011 Private Placement Fund	411
2012 Private Placement Fund	656
2013 Private Placement Fund	463
2014 Private Placement Fund	500
2015 Private Placement Fund	722
2016 Private Placement Fund	1,125
2017 Private Equity Fund	1,390
2018 Private Equity Fund	2,355
2019 Private Equity Fund	1,275
2020 Private Equity Fund	1,405

11. UNCERTAINTIES RELATED TO COVID-19

On March 11, 2020, the outbreak of the novel strain of the coronavirus (“COVID-19”) outbreak was declared a pandemic by the World Health Organization (“WHO”) prompting many national, regional, and local governments to implement preventative or protective measures. As a result, COVID-19 and the related restrictive measures have had a significant financial and market impact including significant volatility in equity prices, interest rates, bond yields, and foreign exchange rates. BCI continues to monitor its operations, liquidity and capital resources and is actively working to minimize the current and future impact of COVID-19. The valuation of private equity investments incorporates significant estimates and assumptions that have been impacted by COVID-19.

12. SUBSEQUENT EVENTS

In February 2022, events concerning Russia and Ukraine have resulted in sanctions being levied against Russian interests by numerous countries. As a result of this ongoing situation, BCI has identified one investment held within the 2017 Private Equity Fund with direct or indirect exposure to Russia and/or Ukraine. Subsequent to December 31, the fair value of this investment has been updated to reflect the changes in unobservable inputs as a result of this event, resulting in a decrease in fair value of \$100,581.



BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

BCI Head Office

750 Pandora Ave, Victoria BC
V8W 0E4 CANADA

Vancouver Office

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

New York Office

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

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