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BCI

PUBLIC EQUITY

Pooled Fund Financial Statements

DECEMBER 2021

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

PUBLIC EQUITY - POOLED INVESTMENT PORTFOLIOS

GROUP OF FUNDS

Active Canadian Equity Fund
Active Canadian Small Cap Equity Fund
Canadian Quantitative Active Equity Fund
Indexed Canadian Equity Fund
Active U.S. Small Cap Equity Fund
Active Global Equity Fund
Global Quantitative Active Equity Fund
Indexed Global Equity Fund 1
Active Emerging Markets Equity Fund
Indexed Emerging Markets Equity Fund
Thematic Public Equity Fund
Global Quantitative ESG Equity Fund
Indexed Global Equity Fund 2

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:

Active Canadian Equity Fund	Active Emerging Markets Equity Fund
Active Canadian Small Cap Equity Fund	Indexed Emerging Markets Equity Fund
Canadian Quantitative Active Equity Fund	Thematic Public Equity Fund
Indexed Canadian Equity Fund	Global Quantitative ESG Equity Fund
Active U.S. Small Cap Equity Fund	Indexed Global Equity Fund 2
Active Global Equity Fund	
Global Quantitative Active Equity Fund	
Indexed Global Equity Fund 1	

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 significant accounting policies used in the preparation of these statements are disclosed in note 3 to the financial statements. The statements include certain amounts that are based on management's judgement and best estimates.

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

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

BCI's external auditors, KPMG LLP, have full and unrestricted access to the Audit Committee and BCI management. KPMG LLP discusses with management and the 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 Public Equity – Pooled Investment Portfolios:

Active Canadian Equity Fund
Active Canadian Small Cap Equity Fund
Canadian Quantitative Active Equity Fund
Indexed Canadian Equity Fund
Active U.S. Small Cap Equity Fund
Active Global Equity Fund
Global Quantitative Active Equity Fund
Indexed Global Equity Fund 1
Active Emerging Markets Equity Fund
Indexed Emerging Markets Equity Fund
Thematic Public Equity Fund
Global Quantitative ESG Equity Fund
Indexed Global Equity Fund 2
(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 April 12, 2021 to December 31, 2021 only for the Indexed Global Equity Fund 2)
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended (period from inception on April 12, 2021 to December 31, 2021 only for the Indexed Global Equity Fund 2)
- the statements of cash flows for the year then ended (period from inception on April 12, 2021 to December 31, 2021 only for the Indexed Global Equity Fund 2)
- 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 end of December 31, 2021, their financial performance and their cash flows for the year then ended (period from inception on April 12, 2021 to December 31, 2021 only for the Indexed Global Equity Fund 2) 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

A handwritten signature in black ink that reads 'KPMG LLP'. 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'.

Chartered Professional Accountants

Vancouver, Canada
April 11, 2022

ACTIVE CANADIAN 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
Cash		\$ —	\$ 33,648
Receivable from sale of investments		5,601	18,095
Dividends receivable		9,404	10,479
Investments		3,852,932	5,853,963
Total assets		3,867,937	5,916,185
Liabilities			
Payable for purchase of investments		39,173	75,263
BCI cost recoveries payable	4	293	7,105
External management fees payable		—	2,097
Other accounts payable		49	21
		39,515	84,486
Net assets attributable to holders of redeemable units		\$ 3,828,422	\$ 5,831,699
Number of redeemable units outstanding	5	199,172	388,276
Net assets attributable to holders of redeemable units per unit		\$ 19,222	\$ 15,019
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

ACTIVE CANADIAN EQUITY 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
Interest income		\$ 92	\$ 382
Dividend income		117,655	131,808
Securities lending income		258	277
Other income	11	9,299	353
Foreign exchange loss		(87)	(43)
Change in fair value of investments:			
Net realized gain		1,822,478	220,765
Net change in unrealized appreciation		(715,721)	81,197
Total revenue		1,233,974	434,739
Expenses			
BCI cost recoveries	4	4,215	5,090
External management fees		3,535	7,713
Administrative fees		83	—
Commissions and stock exchange fees		5,158	3,549
Pursuit costs		15	—
Total operating expenses		13,006	16,352
Increase in net assets attributable to holders of redeemable units before distributions		1,220,968	418,387
Distributions to holders of redeemable units		(1,933,190)	(320,583)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (712,222)	\$ 97,804

ACTIVE CANADIAN 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	\$ 5,831,699	\$ 5,018,717
Increase (decrease) in net assets attributable to holders of redeemable units	(712,222)	97,804
Redeemable unit transactions:		
Proceeds from units issued	1,001,658	734,095
Reinvestment of distributions	1,933,190	320,583
Amounts paid for units redeemed	(4,225,903)	(339,500)
Net increase (decrease) from redeemable unit transactions	(1,291,055)	715,178
Balance, end of year	\$ 3,828,422	\$ 5,831,699

ACTIVE CANADIAN 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 (decrease) in net assets attributable to holders of redeemable units	\$ (712,222)	\$ 97,804
Adjustments for:		
Foreign exchange loss	87	43
Interest income	(92)	(382)
Dividend income	(117,655)	(131,808)
Net realized gain from investments	(1,822,478)	(220,765)
Net change in unrealized appreciation of investments	715,721	(81,197)
Amortization of premiums and discounts	3	(39)
Non cash distributions	1,933,190	320,583
Security lending revenue receivable	—	29
BCI cost recoveries payable	(6,812)	393
Other accounts payable	28	(3)
Interest received	92	382
Dividends received	118,730	129,672
External management fees payable	(2,097)	88
Net sale (purchase) of investments	3,084,189	(516,294)
	3,190,684	(401,494)
Financing activities		
Proceeds from issuance of redeemable units	1,001,658	734,160
Payments on redemption of redeemable units	(4,225,903)	(339,500)
	(3,224,245)	394,660
Net decrease in cash	(33,561)	(6,834)
Effect of exchange rate changes on cash	(87)	(43)
Cash, beginning of year	33,648	40,525
Cash, end of year	\$ —	\$ 33,648

ACTIVE CANADIAN 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
Equity Investments				
Publicly Traded	\$ 3,733,497	\$ 3,140,406	\$ 5,789,239	\$ 4,480,427
Money Market Investments				
Units in BCI Pooled Investment Portfolio Fund ST1	119,435	119,436	64,724	64,725
Total Investments	\$ 3,852,932	\$ 3,259,842	\$ 5,853,963	\$ 4,545,152

ACTIVE CANADIAN EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

ACTIVE CANADIAN EQUITY FUND

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

Currency Risk

The Fund is not exposed to significant currency risk since the majority of the Fund's assets and liabilities are denominated in Canadian dollars and amounts denominated in other currencies are considered nominal.

ACTIVE CANADIAN EQUITY FUND

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 204,506	5.5 %	\$ 216,797	3.7 %
Consumer Staples	—	—	184,491	3.2
Energy	208,403	5.6	419,279	7.2
Financials	1,403,270	37.6	1,853,743	32.0
Health Care	81,350	2.2	—	—
Industrials	518,063	13.9	836,619	14.5
Information Technology	668,371	17.9	739,454	12.8
Materials	187,734	5.0	663,951	11.5
Real Estate	72,362	1.9	141,833	2.4
Telecommunication Services	92,641	2.5	311,409	5.4
Utilities	296,797	7.9	420,522	7.3
Other	—	—	1,141	—
Total	\$ 3,733,497	100.0 %	\$ 5,789,239	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$363,560 (2020 - \$513,493) or 9.5% (2020 - 8.8%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

ACTIVE CANADIAN EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Publicly traded	\$ 3,733,497	\$ —	\$ 3,733,497	\$ 5,789,239	\$ —	\$ 5,789,239
Money market funds	119,435	—	119,435	64,724	—	64,724
Total investments	3,852,932	—	3,852,932	5,853,963	—	5,853,963
Total	\$ 3,852,932	\$ —	\$ 3,852,932	\$ 5,853,963	\$ —	\$ 5,853,963

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.

During 2021 and 2020 there were no significant transfers between the three levels in the hierarchy.

ACTIVE CANADIAN EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	1	\$ 1,596,948	\$ 119,435	1	\$ 1,909,999	\$ 64,724

ACTIVE CANADIAN SMALL CAP 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 sale of investments		\$ 167	\$ —
Dividends receivable		2,632	3,140
Investments		1,543,505	1,679,620
Total assets		1,546,304	1,682,760
Liabilities			
Payable for purchase of investments		175	2,555
BCI cost recoveries payable	4	254	3,111
Other accounts payable		30	16
		459	5,682
Net assets attributable to holders of redeemable units		\$ 1,545,845	\$ 1,677,078
Number of redeemable units outstanding	5	528.280	706.958
Net assets attributable to holders of redeemable units per unit		\$ 2,926	\$ 2,372
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
 Chief Executive Officer
 Chief Investment Officer

ACTIVE CANADIAN SMALL CAP 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		\$ 42	\$ 341
Dividend income		23,138	31,920
Securities lending income		114	173
Other income	11	2,975	—
Foreign exchange gain (loss)		(33)	36
Change in fair value of investments:			
Net realized gain (loss)		264,714	(78,415)
Net change in unrealized appreciation		32,715	211,309
Total revenue		323,665	165,364
Expenses			
BCI cost recoveries	4	3,220	3,790
External management fees		—	716
Administrative fees		41	—
Commissions and stock exchange fees		1,676	1,970
Pursuit costs		33	—
Total operating expenses		4,970	6,476
Increase in net assets attributable to holders of redeemable units before distributions		318,695	158,888
Distributions to holders of redeemable units		(179,213)	(23,260)
Increase in net assets attributable to holders of redeemable units		\$ 139,482	\$ 135,628

See accompanying Notes to the Financial Statements

ACTIVE CANADIAN SMALL CAP 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	\$ 1,677,078	\$ 1,671,090
Increase in net assets attributable to holders of redeemable units	139,482	135,628
Redeemable unit transactions:		
Proceeds from units issued	248,412	150,636
Reinvestment of distributions	179,213	23,260
Amounts paid for units redeemed	(698,340)	(303,536)
Net decrease from redeemable unit transactions	(270,715)	(129,640)
Balance, end of year	\$ 1,545,845	\$ 1,677,078

ACTIVE CANADIAN SMALL CAP 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	\$ 139,482	\$ 135,628
Adjustments for:		
Foreign exchange (gain) loss	33	(36)
Interest income	(42)	(341)
Dividend income	(23,138)	(31,920)
Net realized (gain) loss from investments	(264,714)	78,415
Net change in unrealized appreciation of investments	(32,715)	(211,309)
Amortization of premiums and discounts	2	(157)
Non cash distributions	179,213	23,260
Security lending revenue receivable	—	26
BCI cost recoveries payable	(2,857)	217
Other accounts payable	14	1
Interest received	42	341
Dividends received	23,646	32,356
External management fees payable	—	(536)
Net sale of investments	430,995	126,668
	449,961	152,613
Financing activities		
Proceeds from issuance of redeemable units	248,412	150,716
Payments on redemption of redeemable units	(698,340)	(303,536)
	(449,928)	(152,820)
Net increase (decrease) in cash	33	(207)
Effect of exchange rate changes on cash	(33)	36
Cash, beginning of year	—	171
Cash, end of year	\$ —	\$ —

ACTIVE CANADIAN SMALL CAP 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
Equity Investments				
Publicly Traded	\$ 1,529,084	\$ 1,062,879	\$ 1,619,735	\$ 1,188,794
Exchange Traded Funds	—	—	27,309	24,760
	1,529,084	1,062,879	1,647,044	1,213,554
Money Market Investments				
Units in BCI Pooled Investment Portfolio Fund ST1	14,421	14,421	32,576	32,576
Total Investments	\$ 1,543,505	\$ 1,077,300	\$ 1,679,620	\$ 1,246,130

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Credit Risk

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

Liquidity Risk

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

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

Interest Rate Risk

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

Currency Risk

The Fund is not exposed to significant currency risk since the majority of the Fund's assets and liabilities are denominated in Canadian dollars and amounts denominated in other currencies are considered nominal.

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 156,897	10.3 %	\$ 203,591	12.6 %
Consumer Staples	101,958	6.7	183,469	11.3
Energy	268,502	17.6	136,837	8.4
Financials	183,916	12.0	150,384	9.3
Health Care	47,214	3.1	36,703	2.3
Industrials	274,946	17.9	457,616	28.3
Information Technology	215,337	14.1	120,409	7.4
Materials	48,046	3.1	91,260	5.6
Real Estate	220,654	14.4	227,375	14.0
Telecommunication Services	11,614	0.8	—	—
Other	—	—	12,091	0.8
Total	\$ 1,529,084	100.0 %	\$ 1,619,735	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$106,586 (2020 - \$95,828) or 6.9% (2020 - 5.7%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

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

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Publicly traded	\$ 1,529,084	\$ —	\$ 1,529,084	\$ 1,619,735	\$ —	\$ 1,619,735
Exchange traded funds	—	—	—	27,309	—	27,309
Money market funds	14,421	—	14,421	32,576	—	32,576
Total	\$ 1,543,505	\$ —	\$ 1,543,505	\$ 1,679,620	\$ —	\$ 1,679,620

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.

During 2021 and 2020 there were no significant transfers between the three levels in the hierarchy.

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	1	1,596,948	14,421	1	1,909,999	32,576

CANADIAN QUANTITATIVE ACTIVE 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
Cash		\$ —	\$ 5
Dividends receivable		3,065	2,104
Investments		1,192,712	949,654
Total assets		1,195,777	951,763
Liabilities			
BCI cost recoveries payable	4	131	5,310
Other accounts payable		20	15
Derivative liabilities			
Swaps		—	40
		151	5,365
Net assets attributable to holders of redeemable units		\$ 1,195,626	\$ 946,398
Number of redeemable units outstanding	5	214,128	214,128
Net assets attributable to holders of redeemable units per unit		\$ 5,584	\$ 4,420
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

CANADIAN QUANTITATIVE ACTIVE 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		\$ 12	\$ 34
Dividend income		30,240	26,866
Securities lending income		239	90
Other income	11	5,255	—
Foreign exchange gain		7	5
Change in fair value of investments and derivatives:			
Net realized gain (loss)		59,782	(13,512)
Net change in unrealized appreciation		155,674	16,782
Total revenue		251,209	30,265
Expenses			
BCI cost recoveries	4	1,663	1,885
Administrative fees		19	27
Commissions and stock exchange fees		299	322
Total operating expenses		1,981	2,234
Increase in net assets attributable to holders of redeemable units before distributions		249,228	28,031
Distributions to holders of redeemable units		(81,036)	(22,215)
Increase in net assets attributable to holders of redeemable units		\$ 168,192	\$ 5,816

CANADIAN QUANTITATIVE ACTIVE 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	\$ 946,398	\$ 918,367
Increase in net assets attributable to holders of redeemable units	168,192	5,816
Redeemable unit transactions:		
Reinvestment of distributions	81,036	22,215
Net increase from redeemable unit transactions	81,036	22,215
Balance, end of year	\$ 1,195,626	\$ 946,398

CANADIAN QUANTITATIVE ACTIVE 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	\$ 168,192	\$ 5,816
Adjustments for:		
Foreign exchange gain	(7)	(5)
Interest income	(12)	(34)
Dividend income	(30,240)	(26,866)
Net realized (gain) loss from investments and derivatives	(59,782)	13,512
Net change in unrealized appreciation of investments and derivatives	(155,674)	(16,782)
Amortization of premiums and discounts	1	—
Non cash distributions	81,036	22,215
Security lending revenue receivable	—	7
BCI cost recoveries payable	(5,179)	180
Other accounts payable	5	—
Interest received	12	34
Dividends received	29,279	27,739
Net purchase of investments and derivatives	(27,643)	(25,966)
	(12)	(150)
Net decrease in cash	(12)	(150)
Effect of exchange rate changes on cash	7	5
Cash, beginning of year	5	150
Cash, end of year	\$ —	\$ 5

CANADIAN QUANTITATIVE ACTIVE 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
Equity Investments				
Publicly Traded	\$ 1,183,250	\$ 907,372	\$ 938,526	\$ 818,545
Investee Funds	2,566	5,149	2,836	5,149
	1,185,816	912,521	941,362	823,694
Money Market Investments				
Units in BCI Pooled Investment Portfolio Fund ST1	6,896	6,905	5,487	5,496
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio CDOR 1 Floating Rate Fund	—	—	2,805	2,812
Total Investments	\$ 1,192,712	\$ 919,426	\$ 949,654	\$ 832,002

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Derivative Assets and Liabilities

(Expressed in thousands of dollars)

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

	2021			2020		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Equity derivatives						
OTC						
Swaps	\$ —	\$ —	\$ —	\$ 2,805	\$ —	\$ (40)
Total	\$ —	\$ —	\$ —	\$ 2,805	\$ —	\$ (40)

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

	2021	2020
Less than 1 year	\$ —	\$ 2,805
Total	\$ —	\$ 2,805

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

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

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of issuers listed on recognized exchanges in developed or emerging markets;
- publicly traded income trust units;
- limited partnership interests, royalty trusts, and real estate investment trusts that trade on recognized exchanges;
- exchange traded funds based on or correlated to the Index or a subset of the Index;
- units in the Managers' pooled funds, provided the holdings of such funds are permissible investments for the Fund;
- derivative instruments for the purposes of managing risk, enhancing returns and liquidity, lowering transaction costs, implementing synthetic indexing, and managing stock exposures;
- private placement securities that will become freely tradable on a recognized exchange within four months of issuance, or with CIO approval;
- money market securities rated A-1 (low) or better, and units of BCI's Canadian Money Market Fund (ST1) and/or Canadian Money Market Fund (ST2);
- units in BCI's Floating Rate Funds;
- the Fund may use the sale proceeds realized from shorting permitted securities to provide leveraged positions on other permitted securities; and
- the Fund may borrow money to satisfy cash flow needs, to finance the acquisition of securities, and/or to avoid the untimely sale of assets.

The following restrictions apply to the Fund:

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

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

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Credit Risk

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

DERIVATIVES BY CREDIT RATING	2021			2020		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
A	\$ —	\$ —	\$ —	\$ 2,805	\$ —	\$(40)
Total Derivatives	\$ —	\$ —	\$ —	\$ 2,805	\$ —	\$(40)

Liquidity Risk

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

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

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

	2020				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ —	\$ —	\$ —	\$ —	\$ —
Derivative liabilities	(40)	(40)	—	—	(40)
	\$ (40)	\$ (40)	\$ —	\$ —	\$ (40)

Interest Rate Risk

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

Currency Risk

The Fund is not exposed to significant currency risk since the majority of the Fund's assets and liabilities are denominated in Canadian dollars and amounts denominated in other currencies are considered nominal.

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 45,339	3.8 %	\$ 39,731	4.2 %
Consumer Staples	38,404	3.2	34,877	3.7
Energy	150,125	12.7	108,729	11.6
Financials	379,268	32.1	285,755	30.4
Health Care	16,521	1.4	9,751	1.0
Industrials	140,367	11.9	121,406	12.9
Information Technology	127,605	10.8	95,663	10.2
Materials	140,762	11.9	126,293	13.4
Real Estate	34,230	2.9	25,123	2.7
Telecommunication Services	61,945	5.2	50,764	5.4
Utilities	48,684	4.1	43,073	4.5
Other	—	—	122	—
Total	\$ 1,183,250	100.0 %	\$ 941,287	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$117,237 (2020 - \$88,322) or 9.8% (2020 - 9.3%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

The Fund is also subject to other price risk through its investment in the Investee Fund. The external manager utilizes risk parity and asset diversification to moderate this risk. The expected impact on the net assets of the Fund of a 10% increase/decrease in the value of the investment fund over the next year, would be an increase/decrease, respectively of \$257 (2020 - \$284) or 0.0% (2020 - 0.0%) of net assets.

Equity by Geographic Region

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Canada	\$ 1,154,281	97.6 %	\$ 941,287	100.0 %
United States	28,969	2.4 %	—	—
Total	\$ 1,183,250	100.0 %	\$ 941,287	100.0 %

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Publicly traded	\$ 1,183,250	\$ —	\$ 1,183,250	\$ 938,526	\$ —	\$ 938,526
Money market funds	6,896	—	6,896	5,487	—	5,487
Floating rate funds	—	—	—	2,805	—	2,805
Investee funds	—	2,566	2,566	—	2,836	2,836
Total investments	1,190,146	2,566	1,192,712	946,818	2,836	949,654
Swaps, net	—	—	—	—	(40)	(40)
Total	\$ 1,190,146	\$ 2,566	\$ 1,192,712	\$ 946,818	\$ 2,796	\$ 949,614

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.

During 2021 and 2020 there were no significant transfers between the three levels in the hierarchy.

CANADIAN QUANTITATIVE ACTIVE EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	1	\$ 1,596,948	\$ 6,896	1	\$ 1,909,999	\$ 5,487
Investee floating rate funds administered by BCI	—	—	—	1	14,553,479	2,805
Investee funds administered by external manager	1	2,566	2,566	1	2,836	2,836

INDEXED CANADIAN 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
Cash		\$ 31,198	\$ 11,328
Receivable from sale of investments		1,143	3
Dividends receivable		2,034	8,842
Derivative assets			
Swaps		41,513	19,528
Forwards		11	—
Investments		4,283,880	3,879,797
Total assets		4,359,779	3,919,498
Liabilities			
Payable for purchase of investments		8,400	3,855
BCI cost recoveries payable	4	231	3,685
Other accounts payable		50	131
Derivative liabilities			
Swaps		27,286	2,545
		35,967	10,216
Net assets attributable to holders of redeemable units		\$ 4,323,812	\$ 3,909,282
Number of redeemable units outstanding	5	350.725	397.914
Net assets attributable to holders of redeemable units per unit		\$ 12,328	\$ 9,824
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

INDEXED CANADIAN EQUITY 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
Interest income		\$ 13,526	\$ 27,353
Dividend income		86,965	84,527
Securities lending income		2,243	2,618
Other income	11	3,598	18
Foreign exchange gain (loss)		(712)	1,223
Change in fair value of investments and derivatives:			
Net realized gain (loss)		1,018,329	(68,029)
Net change in unrealized appreciation		(234,554)	238,282
Total revenue		889,395	285,992
Expenses			
BCI cost recoveries	4	2,516	3,822
Administrative fees		54	58
Commissions and stock exchange fees		41	150
Other expenses		—	2
Total operating expenses		2,611	4,032
Increase in net assets attributable to holders of redeemable units before distributions		886,784	281,960
Distributions to holders of redeemable units		(1,008,376)	(100,525)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (121,592)	\$ 181,435

INDEXED CANADIAN 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	\$ 3,909,282	\$ 4,666,073
Increase (decrease) in net assets attributable to holders of redeemable units	(121,592)	181,435
Redeemable unit transactions:		
Proceeds from units issued	2,751,553	1,029,457
Reinvestment of distributions	1,008,376	100,525
Amounts paid for units redeemed	(3,223,807)	(2,068,208)
Net increase (decrease) from redeemable unit transactions	536,122	(938,226)
Balance, end of year	\$ 4,323,812	\$ 3,909,282

INDEXED CANADIAN 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 (decrease) in net assets attributable to holders of redeemable units	\$ (121,592)	\$ 181,435
Adjustments for:		
Foreign exchange (gain) loss	712	(1,223)
Interest income	(13,526)	(27,353)
Dividend income	(86,965)	(84,527)
Net realized (gain) loss from investments and derivatives	(1,018,329)	68,029
Net change in unrealized appreciation of investments and derivatives	234,554	(238,282)
Amortization of premiums and discounts	13,443	(3,296)
Non cash distributions	1,008,376	100,525
Security lending revenue receivable	—	138
BCI cost recoveries payable	(3,454)	132
Other accounts payable	(81)	71
Interest received	13,526	27,353
Dividends received	93,773	83,443
Net sale of investments and derivatives	372,399	940,438
	492,836	1,046,883
Financing activities		
Proceeds from issuance of redeemable units	2,751,553	1,116,357
Payments on redemption of redeemable units	(3,223,807)	(2,155,108)
	(472,254)	(1,038,751)
Net increase in cash	20,582	8,132
Effect of exchange rate changes on cash	(712)	1,223
Cash, beginning of year	11,328	1,973
Cash, end of year	\$ 31,198	\$ 11,328

INDEXED CANADIAN 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
Equity Investments				
Publicly Traded	\$ 1,033,108	\$ 910,014	\$ 3,592,542	\$ 3,260,245
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 1 Floating Rate Fund	3,250,772	3,273,148	25,919	25,968
CDOR 2 Floating Rate Fund	—	—	261,336	261,057
	3,250,772	3,273,148	287,255	287,025
Total Investments	\$ 4,283,880	\$ 4,183,162	\$ 3,879,797	\$ 3,547,270

INDEXED CANADIAN EQUITY FUND

Derivative Assets and Liabilities

(Expressed in thousands of dollars)

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

	2021			2020		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Equity derivatives						
Listed						
Futures (c)	\$ 15	\$ —	\$ —	\$ 15	\$ —	\$ —
OTC						
Swaps	3,249,376	41,513	(27,286)	286,989	19,528	(2,545)
Currency derivatives						
OTC						
Forwards	11,379	11	—	5	—	—
Total	\$ 3,260,770	\$ 41,524	\$ (27,286)	\$ 287,009	\$ 19,528	\$ (2,545)

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

	2021	2020
Less than 1 year	\$ 3,260,770	\$ 287,009
Total	\$ 3,260,770	\$ 287,009

- (a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.
- (b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.
- (c) As futures derivative contracts are fair valued through profit and loss and settled daily, the gain or loss recognized on December 31 is recorded in other receivables or other accounts payable on the Statement of Financial Position.

INDEXED CANADIAN EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

INDEXED CANADIAN EQUITY FUND

Credit Risk

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

DERIVATIVES BY CREDIT RATING	2021			2020		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 3,702,163	\$ 28,190	\$ (16,178)	\$ 687,525	\$ 16,289	\$ (2,466)
A	(441,408)	13,334	(11,108)	(400,531)	3,239	(79)
Total Derivatives	\$ 3,260,755	\$ 41,524	\$ (27,286)	\$ 286,994	\$ 19,528	\$ (2,545)

Collateral Pledged and Received

BCI is party to derivative contracts that involve pledging and holding collateral, as outlined in Note 7 (b). The following table illustrates the fair value of such collateral:

COLLATERAL	2021	2020
Collateral pledged	2,000	—

Liquidity Risk

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

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

	2021					Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year		
Derivative assets	\$ 41,524	\$ 41,524	\$ —	\$ —	\$ —	41,524
Derivative liabilities	(27,286)	(27,286)	—	—	—	(27,286)
	\$ 14,238	\$ 14,238	\$ —	\$ —	\$ —	14,238

	2020					Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year		
Derivative assets	\$ 19,528	\$ 19,528	\$ —	\$ —	\$ —	19,528
Derivative liabilities	(2,545)	(2,545)	—	—	—	(2,545)
	\$ 16,983	\$ 16,983	\$ —	\$ —	\$ —	16,983

Interest Rate Risk

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

INDEXED CANADIAN EQUITY FUND

Currency Risk

The Fund holds net assets denominated in U.S. currency, totalling \$(5,540) CAD which represents (0.1)% of the net asset value of the Fund (2020 - \$2,036 CAD which represented 0.1% 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 the U.S. currency, holding all other variables constant, net assets would have decreased/increased, by \$(55) (2020 - \$20), representing 0.0% of the Fund's net assets (2020 - 0.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 156,700	3.6 %	\$ 152,128	3.9 %
Consumer Staples	160,067	3.7	149,429	3.8
Energy	564,253	13.1	435,979	11.2
Financials	1,378,702	32.1	1,177,845	30.3
Health Care	32,949	0.8	44,696	1.1
Industrials	515,332	12.0	487,587	12.5
Information Technology	459,519	10.7	401,877	10.3
Materials	496,399	11.6	535,009	13.7
Real Estate	133,745	3.1	120,932	3.1
Telecommunication Services	203,348	4.7	191,351	4.9
Utilities	196,158	4.6	199,573	5.1
Other	—	—	254	0.1
Total	\$ 4,297,172	100.0 %	\$ 3,896,660	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$434,264 (2020 - \$368,014) or 10.0% (2020 - 9.4%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Equity by Geographic Region

The Fund's equity investments and equity derivative financial instruments are concentrated in the following geographic regions:

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Brazil	\$ 32,675	0.8 %	\$ 3,672	0.1 %
Canada	4,188,667	97.4	3,880,021	99.6
United States	75,830	1.8 %	12,967	0.3
Total	4,297,172	100.0 %	\$ 3,896,660	100.0 %

INDEXED CANADIAN EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Publicly traded	\$ 1,033,108	\$ —	\$ 1,033,108	\$ 3,592,542	\$ —	\$ 3,592,542
Floating rate funds	3,250,772	—	3,250,772	287,255	—	287,255
Total investments	4,283,880	—	4,283,880	3,879,797	—	3,879,797
Swaps, net	—	14,227	14,227	—	16,983	16,983
Forwards, net	—	11	11	—	—	—
Total derivatives	—	14,238	14,238	—	16,983	16,983
Total	\$ 4,283,880	\$ 14,238	\$ 4,298,118	\$ 3,879,797	\$ 16,983	\$ 3,896,780

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.

During 2021 and 2020 there were no significant transfers between the three levels in the hierarchy.

INDEXED CANADIAN EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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 floating rate funds administered by BCI	1	14,093,062	3,250,772	2	16,261,283	287,255

ACTIVE U.S. SMALL CAP 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
Cash		\$ 39,345	\$ 26,549
Receivable from sale of investments		1,168	1,865
Dividends receivable		1,197	1,275
Investments		2,495,221	2,938,624
Total assets		2,536,931	2,968,313
Liabilities			
Payable for purchase of investments		576	1,887
BCI cost recoveries payable	4	196	6,130
External management fees payable		2,555	3,097
Other accounts payable		37	18
		3,364	11,132
Net assets attributable to holders of redeemable units		\$ 2,533,567	\$ 2,957,181
Number of redeemable units outstanding	5	400.143	542.463
Net assets attributable to holders of redeemable units per unit		\$ 6,332	\$ 5,451
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

ACTIVE U.S. SMALL CAP EQUITY 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
Interest income		\$ 13	\$ 212
Dividend income		17,565	20,263
Securities lending income		946	1,086
Other income	11	5,994	18
Foreign exchange gain (loss)		205	(461)
Change in fair value of investments:			
Net realized gain		634,369	57,055
Net change in unrealized appreciation		(236,933)	480,866
Total revenue		422,159	559,039
Expenses			
BCI cost recoveries	4	2,936	4,961
External management fees		11,289	10,846
Administrative fees		76	52
Commissions and stock exchange fees		754	1,044
Total operating expenses		15,055	16,903
Increase in net assets attributable to holders of redeemable units before distributions		407,104	542,136
Distributions to holders of redeemable units		(642,928)	(67,576)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (235,824)	\$ 474,560

ACTIVE U.S. SMALL CAP 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	\$ 2,957,181	\$ 2,012,675
Increase (decrease) in net assets attributable to holders of redeemable units	(235,824)	474,560
Redeemable unit transactions:		
Proceeds from units issued	178,599	562,370
Reinvestment of distributions	642,928	67,576
Amounts paid for units redeemed	(1,009,317)	(160,000)
Net increase (decrease) from redeemable unit transactions	(187,790)	469,946
Balance, end of year	\$ 2,533,567	\$ 2,957,181

ACTIVE U.S. SMALL CAP 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 (decrease) in net assets attributable to holders of redeemable units	\$ (235,824)	\$ 474,560
Adjustments for:		
Foreign exchange (gain) loss	(205)	461
Interest income	(13)	(212)
Dividend income	(17,565)	(20,263)
Net realized gain from investments	(634,369)	(57,055)
Net change in unrealized appreciation of investments	236,933	(480,866)
Amortization of premiums and discounts	(9)	(167)
Non cash distributions	642,928	67,576
Security lending revenue receivable	—	93
BCI cost recoveries payable	(5,934)	642
Other accounts payable	19	—
Interest received	13	212
Dividends received	17,643	19,900
External management fees payable	(542)	523
Net sale (purchase) of investments	840,234	(387,592)
	843,309	(382,188)
Financing activities		
Proceeds from issuance of redeemable units	178,599	562,635
Payments on redemption of redeemable units	(1,009,317)	(160,000)
	(830,718)	402,635
Net increase in cash	12,591	20,447
Effect of exchange rate changes on cash	205	(461)
Cash, beginning of year	26,549	6,563
Cash, end of year	\$ 39,345	\$ 26,549

ACTIVE U.S. SMALL CAP 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
Equity Investments				
Publicly Traded	\$ 2,483,276	\$ 1,882,930	\$ 2,846,102	\$ 2,018,533
Exchange Traded Funds	—	—	44,203	33,876
	2,483,276	1,882,930	2,890,305	2,052,409
Money Market Investments				
Corporate	—	—	39,490	39,667
Units in BCI Pooled Investment Portfolio				
Fund ST1	77	77	4	4
Fund ST3	11,868	11,877	8,825	9,274
	11,945	11,954	48,319	48,945
Total Investments	\$ 2,495,221	\$ 1,894,884	\$ 2,938,624	\$ 2,101,354

ACTIVE U.S. SMALL CAP EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

ACTIVE U.S. SMALL CAP EQUITY FUND

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

Currency Risk

The Fund holds net assets denominated in U.S. currency, totalling \$2,533,592 CAD which represents 100.0% of the net asset value of the Fund (2020 - \$2,963,299 CAD which represented 100.2% 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 the U.S. currency, holding all other variables constant, net assets would have decreased/increased, by \$25,336 (2020 - \$29,633), 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.

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 490,071	19.8 %	\$ 544,973	19.2 %
Consumer Staples	133,500	5.4	43,925	1.5
Financials	435,191	17.5	424,690	14.9
Health Care	305,400	12.3	409,317	14.4
Industrials	496,064	20.0	477,770	16.8
Information Technology	420,649	16.9	695,796	24.4
Materials	86,600	3.5	53,633	1.9
Real Estate	48,072	1.9	94,432	3.3
Telecommunication Services	44,875	1.8	52,074	1.9
Utilities	15,304	0.6	49,492	1.7
Other	7,550	0.3	—	—
Total	\$ 2,483,276	100.0 %	\$ 2,846,102	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$229,443 (2020 - \$260,224) or 9.1% (2020 - 8.8%) of net assets.

The Fund is also subject to other price risk through its investment in exchange traded funds. Had the exchange traded funds held by the Fund increased or decreased by 10%, net assets attributable to redeemable units would have increased or decreased, respectively, by approximately \$nil (2020 - \$4,420), or 0.0% (2020 - 0.1%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

ACTIVE U.S. SMALL CAP EQUITY FUND*Equity by Geographic Region*

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Israel	\$ 57,113	2.3 %	\$ 38,761	1.4 %
United States	2,426,163	97.7 %	2,807,341	98.6
Total	\$ 2,483,276	100.0 %	\$ 2,846,102	100.0 %

ACTIVE U.S. SMALL CAP EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Publicly traded	\$ 2,483,276	\$ —	\$ 2,483,276	\$ 2,846,102	\$ —	\$ 2,846,102
Exchange traded funds	—	—	—	44,203	—	44,203
Money market funds	11,945	—	11,945	8,829	—	8,829
Money market investments	—	—	—	—	39,490	39,490
Total investments	2,495,221	—	2,495,221	2,899,134	39,490	2,938,624
Total	\$ 2,495,221	\$ —	\$ 2,495,221	\$ 2,899,134	\$ 39,490	\$ 2,938,624

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.

During 2021 and 2020 there were no significant transfers between the three levels in the hierarchy.

ACTIVE U.S. SMALL CAP EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	11,945	2	2,904,346	8,829

ACTIVE GLOBAL 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
Cash		\$ 22,540	\$ 34,602
Dividends receivable		825	1,490
Withholding tax reclaims receivable	6	3,865	2,798
Investments		2,560,487	3,785,530
Total assets		2,587,717	3,824,420
Liabilities			
BCI cost recoveries payable	4	376	10,035
External management fees payable		1,894	3,341
Other accounts payable		184	72
		2,454	13,448
Net assets attributable to holders of redeemable units		\$ 2,585,263	\$ 3,810,972
Number of redeemable units outstanding	5	580,704	1,042,290
Net assets attributable to holders of redeemable units per unit		\$ 4,452	\$ 3,656
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
 Chief Executive Officer
 Chief Investment Officer

ACTIVE GLOBAL EQUITY 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
Interest income		\$ 16	\$ 113
Dividend income		41,447	46,107
Securities lending income		1,547	646
Other income	11	9,881	53
Foreign exchange gain		2,659	5,834
Change in fair value of investments:			
Net realized gain		1,217,931	52,651
Net change in unrealized appreciation		(601,683)	516,724
Total revenue		671,798	622,128
Expenses			
BCI cost recoveries	4	4,642	4,220
External management fees		11,030	12,400
Administrative fees		229	195
Commissions and stock exchange fees		682	1,018
Withholding taxes	6	4,626	2,833
Total operating expenses		21,209	20,666
Increase in net assets attributable to holders of redeemable units before distributions		650,589	601,462
Distributions to holders of redeemable units		(1,253,475)	(83,302)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (602,886)	\$ 518,160

ACTIVE GLOBAL 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	\$ 3,810,972	\$ 2,830,797
Increase (decrease) in net assets attributable to holders of redeemable units	(602,886)	518,160
Redeemable unit transactions:		
Proceeds from units issued	447,209	624,267
Reinvestment of distributions	1,253,475	83,302
Amounts paid for units redeemed	(2,323,507)	(245,554)
Net increase (decrease) from redeemable unit transactions	(622,823)	462,015
Balance, end of year	\$ 2,585,263	\$ 3,810,972

ACTIVE GLOBAL 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 (decrease) in net assets attributable to holders of redeemable units	\$ (602,886)	\$ 518,160
Adjustments for:		
Foreign exchange gain	(2,659)	(5,834)
Interest income	(16)	(113)
Dividend income	(41,447)	(46,107)
Withholding taxes	4,626	2,833
Net realized gain from investments	(1,217,931)	(52,651)
Net change in unrealized appreciation of investments	601,683	(516,724)
Amortization of premiums and discounts	1	(3)
Non cash distributions	1,253,475	83,302
Security lending revenue receivable	—	34
BCI cost recoveries payable	(9,659)	814
Other accounts payable	112	3
Interest received	16	113
Dividends received	42,112	46,561
Withholding taxes paid	(5,693)	(2,511)
External management fees payable	(1,447)	459
Net sale (purchase) of investments	1,841,290	(422,481)
	1,861,577	(394,145)
Financing activities		
Proceeds from issuance of redeemable units	447,209	624,472
Payments on redemption of redeemable units	(2,323,507)	(245,554)
	(1,876,298)	378,918
Net decrease in cash	(14,721)	(15,227)
Effect of exchange rate changes on cash	2,659	5,834
Cash, beginning of year	34,602	43,995
Cash, end of year	\$ 22,540	\$ 34,602

ACTIVE GLOBAL 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
Equity Investments				
Publicly Traded	\$ 2,539,343	\$ 1,388,239	\$ 3,749,960	\$ 1,999,210
Exchange Traded Funds	10,046	8,546	26,667	23,188
Direct Private Equity	1,149	1,212	624	624
	2,550,538	1,397,997	3,777,251	2,023,022
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	9,466	9,466	8,275	8,276
Fund ST2	329	329	4	4
Fund ST3	154	150	—	—
	9,949	9,945	8,279	8,280
Total Investments	\$ 2,560,487	\$ 1,407,942	\$ 3,785,530	\$ 2,031,302

ACTIVE GLOBAL EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

ACTIVE GLOBAL EQUITY FUND

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

ACTIVE GLOBAL 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.

2021				
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	70,104	—	70,104	2.7
Danish Krone	129,877	—	129,877	5.0
Euro	230,633	—	230,633	8.9
Hong Kong Dollar	56,317	—	56,317	2.2
Indian Rupee	48,380	—	48,380	1.9
Indonesian Rupiah	13,120	—	13,120	0.5
Japanese Yen	251,613	—	251,613	9.7
South African Rand	6	—	6	—
South Korean Won	20,726	—	20,726	0.8
Swedish Krona	91,605	—	91,605	3.5
Swiss Franc	96,045	—	96,045	3.7
Taiwan Dollar	27,001	—	27,001	1.0
United States Dollar	1,537,391	—	1,537,391	59.5
Net Foreign Exchange Exposure	\$ 2,572,818	\$ —	\$ 2,572,818	99.5 %

2020				
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Australian Dollar	\$ 37,972	\$ —	\$ 37,972	1.0 %
British Pound Sterling	92,714	—	92,714	2.4
Danish Krone	112,381	—	112,381	2.9
Euro	402,422	—	402,422	10.6
Hong Kong Dollar	141,991	—	141,991	3.7
Indian Rupee	53,090	—	53,090	1.4
Indonesian Rupiah	13,376	—	13,376	0.4
Japanese Yen	386,839	—	386,839	10.2
South African Rand	6	—	6	—
South Korean Won	25,760	—	25,760	0.7
Swedish Krona	45,994	—	45,994	1.2
Swiss Franc	150,877	—	150,877	4.0
Taiwan Dollar	25,683	—	25,683	0.7
United States Dollar	2,249,955	—	2,249,955	59.0
Net Foreign Exchange Exposure	\$ 3,739,060	\$ —	\$ 3,739,060	98.1 %

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 \$25,728 (2020 - \$37,391), 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.

ACTIVE GLOBAL EQUITY FUND

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 388,200	15.3 %	\$ 507,239	13.5 %
Consumer Staples	214,894	8.5	364,938	9.7
Energy	21,290	0.8	13,229	0.4
Financials	308,740	12.2	325,826	8.7
Health Care	386,151	15.2	664,258	17.7
Industrials	259,543	10.2	343,082	9.1
Information Technology	569,869	22.4	1,069,326	28.5
Materials	59,031	2.3	138,437	3.7
Real Estate	52,683	2.1	40,088	1.1
Telecommunication Services	217,941	8.6	225,625	6.1
Utilities	61,001	2.4	57,912	1.5
Total Publicly Traded	2,539,343	100.0	3,749,960	100.0
Information Technology	1,149	—	624	—
Total Direct Private Equity	1,149	—	624	—
Total	\$ 2,540,492	100.0 %	\$ 3,750,584	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$227,953 (2020 - \$336,672) or 8.8% (2020 - 8.8%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

ACTIVE GLOBAL EQUITY FUND

Equity by Geographic Region

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Australia	—	—	37,972	1.0
Canada	—	—	46,298	1.2
China	6,607	0.3	28,642	0.8
Denmark	128,985	5.1	112,379	3.0
Finland	—	—	16,089	0.4
France	30,108	1.2	141,458	3.8
Germany	63,794	2.5	88,442	2.4
Hong Kong	49,691	2.0	126,273	3.4
India	48,380	1.9	53,090	1.4
Indonesia	13,120	0.5	13,375	0.4
Japan	250,876	9.9	386,838	10.3
Korea	20,645	0.8	25,628	0.7
Netherlands	133,276	5.2	129,795	3.5
Spain	—	—	25,987	0.7
Sweden	91,188	3.6	45,956	1.2
Switzerland	95,060	3.7	150,876	4.0
Taiwan	26,899	1.1	105,523	2.8
United Kingdom	70,103	2.8	92,713	2.5
United States	1,510,611	59.4	2,122,626	56.5
Total Publicly Traded	2,539,343	100.0	3,749,960	100.0
Netherlands	1,149	—	624	—
Total Direct Private Equity	1,149	—	624	—
Total	\$ 2,540,492	100.0 %	\$ 3,750,584	100.0 %

ACTIVE GLOBAL EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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
Publicly traded	\$ 2,539,343	\$ —	\$ —	\$ 2,539,343	\$ 3,749,960	\$ —	\$ —	\$ 3,749,960
Exchange traded funds	10,046	—	—	10,046	26,667	—	—	26,667
Money market funds	9,949	—	—	9,949	8,279	—	—	8,279
Private equity investment	—	—	1,149	1,149	—	—	624	624
Total investments	2,559,338	—	1,149	2,560,487	3,784,906	—	624	3,785,530
				—				—
Total	\$ 2,559,338	\$ —	\$ 1,149	\$ 2,560,487	\$ 3,784,906	\$ —	\$ 624	\$ 3,785,530

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.

During 2021 and 2020, there were no significant transfers between the three levels in the hierarchy.

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

	2021	2020
Opening balance, beginning of year	\$ 624	\$ —
Total losses recognized in profit or loss	(63)	—
Purchases	588	624
Closing balance, end of year	\$ 1,149	\$ 624
Total unrealized losses for the period included in profit or loss related to level 3 investments held at the reporting date	\$ (63)	\$ —

Significant Unobservable Inputs Used in Measuring Fair Value

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

	2021				
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input
Private equity investment	\$ 1,149	Market approach	Revenue Multiples	17.4	The estimated fair value would increase (decrease) if the EV multiples was higher (lower).

ACTIVE GLOBAL EQUITY FUND

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input
Private equity investment	\$ 624	Discounted cash flow	Discount rate	18.2 %	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

Significant unobservable inputs are developed as follows:

Revenue multiples:

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

Discount rate:

Represents the discount rate applied to the expected future cash flows. For the discount rates used, BCI management assesses both the risk premium and the appropriate risk-free rate based on the economic environment in which the investee entity operates. The discount rate is adjusted for such matters as liquidity differences, credit and market factors. The estimated future cash flows are then discounted using the discount rate determined. Cash flows used in the discounted cash flow model are based on projected cash flows or earnings of the respective investee entity.

Effects of Unobservable Input on Fair Value Measurement

The private equity investment is valued based on information received from the management of the investee. Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to holders of redeemable units. The following table shows how the net assets attributable to holders of redeemable units would change if the valuation of the private equity investment was calculated by adjusting the investment's fair market value by 10%.

	2021	2020
Favourable	\$ 115	\$ 62
Unfavourable	(115)	(62)

ACTIVE GLOBAL EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	3	9,497,081	9,949	2	5,713,421	8,279

GLOBAL QUANTITATIVE ACTIVE 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
Cash		\$ 360	\$ 152
Withholding tax reclaims receivable	6	1,863	2,173
Derivative assets			
Swaps		14,043	122,469
Investments		313,009	1,016,415
Total assets		329,275	1,141,209
Liabilities			
BCI cost recoveries payable	4	16	2,666
Other accounts payable		28	101
Derivative liabilities			
Swaps		822	66,116
		866	68,883
Net assets attributable to holders of redeemable units		\$ 328,409	\$ 1,072,326
Number of redeemable units outstanding	5	75.146	312.402
Net assets attributable to holders of redeemable units per unit		\$ 4,370	\$ 3,433
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

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

Revenue	NOTES	2021	2020
Interest income		\$ 1,693	\$ 27,192
Dividend income		1,732	3
Securities lending income		188	470
Other income	11	2,415	—
Foreign exchange gain (loss)		(198)	85
Change in fair value of investments and derivatives:			
Net realized gain		121,514	221,545
Net change in unrealized appreciation		(43,336)	(174,249)
Total revenue		84,008	75,046
Expenses			
BCI cost recoveries	4	622	7,255
Administrative fees		—	129
Commissions and stock exchange fees		—	2
Withholding taxes	6	(3)	(200)
Total operating expenses		619	7,186
Increase in net assets attributable to holders of redeemable units before distributions		83,389	67,860
Distributions to holders of redeemable units		(126,738)	(242,096)
Decrease in net assets attributable to holders of redeemable units		\$ (43,349)	\$ (174,236)

GLOBAL QUANTITATIVE ACTIVE 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	\$ 1,072,326	\$ 3,729,509
Decrease in net assets attributable to holders of redeemable units	(43,349)	(174,236)
Redeemable unit transactions:		
Reinvestment of distributions	126,738	242,096
Amounts paid for units redeemed	(827,306)	(2,725,043)
Net decrease from redeemable unit transactions	(700,568)	(2,482,947)
Balance, end of year	\$ 328,409	\$ 1,072,326

GLOBAL QUANTITATIVE ACTIVE 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
Decrease in net assets attributable to holders of redeemable units	\$ (43,349)	\$ (174,236)
Adjustments for:		
Foreign exchange (gain) loss	198	(85)
Interest income	(1,693)	(27,192)
Dividend income	(1,732)	(3)
Withholding taxes	(3)	(200)
Net realized gain from investments and derivatives	(121,514)	(221,545)
Net change in unrealized appreciation of investments and derivatives	43,336	174,249
Amortization of premiums and discounts	2,169	3,693
Non cash distributions	126,738	242,096
BCI cost recoveries payable	(2,650)	48
Other accounts payable	(73)	(30)
Interest received	1,693	27,192
Dividends received	1,732	3
Withholding taxes paid	313	1,812
Net sale of investments and derivatives	822,547	2,699,113
	827,712	2,724,915
Financing activities		
Payments on redemption of redeemable units	(827,306)	(2,725,043)
	(827,306)	(2,725,043)
Net increase (decrease) in cash	406	(128)
Effect of exchange rate changes on cash	(198)	85
Cash, beginning of year	152	195
Cash, end of year	\$ 360	\$ 152

GLOBAL QUANTITATIVE ACTIVE 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
Money Market Investments				
Units in BCI Pooled Investment Portfolio Fund ST1	\$ 246	\$ 246	\$ 728	\$ 728
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio CDOR 3 Floating Rate Fund	312,763	315,072	1,015,687	1,017,792
Total Investments	\$ 313,009	\$ 315,318	\$ 1,016,415	\$ 1,018,520

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Derivative Assets and Liabilities

(Expressed in thousands of dollars)

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

	2021			2020		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Equity derivatives						
OTC						
Swaps	308,204	14,043	(822)	1,036,024	122,469	(66,116)
Total	\$ 308,204	\$ 14,043	\$ (822)	\$ 1,036,024	\$ 122,469	\$ (66,116)

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

	2021		2020	
Less than 1 year	\$	308,204	\$	1,036,024
Total	\$	308,204	\$	1,036,024

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

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

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Credit Risk

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

DERIVATIVES BY CREDIT RATING	2021			2020		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 193,213	\$ 11,027	\$ —	\$ 889,868	\$ 97,108	\$ (53,636)
A	114,991	3,016	(822)	146,156	25,361	(12,480)
Total Derivatives	\$ 308,204	\$ 14,043	\$ (822)	\$ 1,036,024	\$ 122,469	\$ (66,116)

Liquidity Risk

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

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

	2021				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 14,043	\$ 14,043	\$ —	\$ —	14,043
Derivative liabilities	(822)	(822)	—	—	(822)
	\$ 13,221	\$ 13,221	\$ —	\$ —	13,221

	2020				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 122,469	\$ 122,469	\$ —	\$ —	122,469
Derivative liabilities	(66,116)	(66,116)	—	—	(66,116)
	\$ 56,353	\$ 56,353	\$ —	\$ —	56,353

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing and the Fund's investments in BCI's floating rate funds provide a floating rate of return. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

GLOBAL QUANTITATIVE ACTIVE 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.

2021				
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	\$ 26	\$ —	\$ 26	— %
Euro	77	—	77	—
United States Dollar	111	—	111	—
Net Foreign Exchange Exposure	\$ 214	\$ —	\$ 214	0.1 %

2020				
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
United States Dollar	6	—	6	— %
Net Foreign Exchange Exposure	\$ 6	\$ —	\$ 6	— %

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 \$2 (2020 - \$nil), representing 0.0% of the Fund's net assets (2020 - 0.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 40,565	12.6 %	\$ 128,447	11.7 %
Consumer Staples	24,279	7.5	96,455	8.8
Energy	11,006	3.4	12,974	1.2
Financials	35,613	11.1	137,080	12.5
Health Care	44,246	13.8	140,065	12.8
Industrials	29,434	9.2	98,452	9.0
Information Technology	77,459	24.0	257,124	23.5
Materials	10,747	3.3	73,729	6.7
Real Estate	10,579	3.3	30,394	2.8
Telecommunication Services	30,071	9.4	92,630	8.6
Utilities	7,602	2.4	26,338	2.4
Total	\$ 321,601	100.0 %	\$ 1,093,688	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$33,528 (2020 - \$110,724) or 10.2% (2020 - 10.3%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Equity by Geographic Region

As at December 31, the Fund's exposure through equity derivative financial instruments is concentrated in the following geographic regions.

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Argentina	\$ 287	0.1 %	\$ 3,935	0.4 %
Australia	9,020	2.8	33,383	3.1
Austria	(1,859)	(0.6)	(8,618)	(0.8)
Belgium	(378)	(0.1)	1,908	0.2
Brazil	621	0.2	(2)	—
Chile	1	—	3	—
China	(479)	(0.1)	(480)	—
Denmark	2,230	0.7	23,231	2.1
Finland	1,209	0.4	1,810	0.2
France	15,020	4.7	32,808	3.0
Germany	10,514	3.3	32,822	3.0
Hong Kong	281	0.1	13,583	1.2
Ireland	180	0.1	(368)	—
Israel	1,313	0.4	(4,669)	(0.4)
Italy	2,259	0.7	15,665	1.4
Japan	21,713	6.8	96,328	8.8
Mexico	—	—	1	—
Netherlands	9,431	2.9	35,367	3.2
New Zealand	(1,071)	(0.3)	(1,607)	(0.1)
Norway	1,368	0.4	981	0.1
Poland	23	—	—	—
Portugal	849	0.3	(691)	(0.1)
Russia	2,931	0.9	2,090	0.2
Saudi Arabia	(2)	—	—	—
Singapore	1,087	0.3	(5,844)	(0.5)
South Africa	4	—	8	—
Spain	2,280	0.7	9,246	0.8
Sweden	(2,370)	(0.7)	7,409	0.7
Switzerland	3,806	1.2	39,152	3.6
Taiwan	777	0.2	—	—
United Kingdom	16,318	5.0	39,235	3.5
United States	224,238	69.6	727,002	66.4
Total	\$ 321,601	100.0 %	\$ 1,093,688	100.0 %

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Money market funds	246	—	246	728	—	728
Floating rate funds	312,763	—	312,763	1,015,687	—	1,015,687
Total investments	313,009	—	313,009	1,016,415	—	1,016,415
Swaps, net	—	13,221	13,221	—	56,353	56,353
Total derivatives	—	13,221	13,221	—	56,353	56,353
Total	\$ 313,009	\$ 13,221	\$ 326,230	\$ 1,016,415	\$ 56,353	\$ 1,072,768

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.

During 2021 and 2020, there were no significant transfers between the three levels in the hierarchy.

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	1	\$ 1,596,948	\$ 246	1	\$ 1,909,999	\$ 728
Investee floating rate funds administered by BCI	1	6,185,387	312,763	1	3,970,059	1,015,687

INDEXED GLOBAL EQUITY FUND 1

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
Cash		\$ 2,938	\$ 2,867
Dividends receivable		1,307	1,356
Withholding tax reclaims receivable	6	5,253	5,252
Derivative assets			
Swaps		266,028	455,538
Options		—	43,623
Investments		8,385,335	12,175,337
Total assets		8,660,861	12,683,973
Liabilities			
BCI cost recoveries payable	4	1,016	4,895
Other accounts payable		120	175
Derivative liabilities			
Swaps		137,689	29,490
Options		—	41,405
		138,825	75,965
Net assets attributable to holders of redeemable units		\$ 8,522,036	\$ 12,608,008
Number of redeemable units outstanding	5	1,952.910	3,494.764
Net assets attributable to holders of redeemable units per unit		\$ 4,364	\$ 3,608
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

INDEXED GLOBAL EQUITY FUND 1

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

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

Revenue	NOTES	2021	2020
Interest income		\$ 50,599	\$ 163,078
Dividend income		126,501	75,928
Securities lending income		5,809	7,508
Other income	11	4,903	30
Foreign exchange gain (loss)		(2,243)	20,629
Change in fair value of investments and derivatives:			
Net realized gain		1,802,010	1,700,546
Net change in unrealized appreciation		(91,063)	(68,914)
Total revenue		1,896,516	1,898,805
Expenses			
BCI cost recoveries	4	13,798	16,036
Administrative fees		38	416
Commissions and stock exchange fees		25	340
Other expenses		—	6
Withholding taxes	6	1,384	1,501
Total operating expenses		15,245	18,299
Increase in net assets attributable to holders of redeemable units before distributions		1,881,271	1,880,506
Distributions to holders of redeemable units		(1,945,135)	(1,888,487)
Decrease in net assets attributable to holders of redeemable units		\$ (63,864)	\$ (7,981)

INDEXED GLOBAL EQUITY FUND 1**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	\$ 12,608,008	\$ 15,431,920
Decrease in net assets attributable to holders of redeemable units	(63,864)	(7,981)
Redeemable unit transactions:		
Proceeds from units issued	4,103,213	4,512,219
Reinvestment of distributions	1,945,135	1,888,487
Amounts paid for units redeemed	(10,070,456)	(9,216,637)
Net decrease from redeemable unit transactions	(4,022,108)	(2,815,931)
Balance, end of year	\$ 8,522,036	\$ 12,608,008

INDEXED GLOBAL EQUITY FUND 1

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	\$ (63,864)	\$ (7,981)
Adjustments for:		
Foreign exchange (gain) loss	2,243	(20,629)
Interest income	(50,599)	(163,078)
Dividend income	(126,501)	(75,928)
Withholding taxes	1,384	1,501
Net realized gain from investments and derivatives	(1,802,010)	(1,700,546)
Net change in unrealized appreciation of investments and derivatives	91,063	68,914
Amortization of premiums and discounts	43,501	23,037
Non cash distributions	1,945,135	1,888,487
Security lending revenue receivable	—	49
BCI cost recoveries payable	(3,879)	258
Other accounts payable	(55)	(28)
Interest received	50,599	163,078
Dividends received	126,550	79,718
Withholding taxes paid	(1,385)	(139)
Net sale of investments and derivatives	5,757,375	4,424,496
	5,969,557	4,681,209
Financing activities		
Proceeds from issuance of redeemable units	4,103,213	4,599,119
Payments on redemption of redeemable units	(10,070,456)	(9,303,537)
	(5,967,243)	(4,704,418)
Net increase (decrease) in cash	2,314	(23,209)
Effect of exchange rate changes on cash	(2,243)	20,629
Cash, beginning of year	2,867	5,447
Cash, end of year	\$ 2,938	\$ 2,867

INDEXED GLOBAL EQUITY FUND 1**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
Equity Investments				
Publicly Traded	\$ 1,864,264	\$ 1,266,423	\$ 1,774,929	\$ 1,422,007
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio CDOR 1 Floating Rate Fund	6,515,105	6,578,785	10,400,408	10,427,832
Public Equity Funds				
Units in BCI Pooled Investment Portfolio Indexed Global Equity Fund 2	5,966	5,765	—	—
Total Investments	\$ 8,385,335	\$ 7,850,973	\$ 12,175,337	\$ 11,849,839

INDEXED GLOBAL EQUITY FUND 1

Derivative Assets and Liabilities

(Expressed in thousands of dollars)

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

	2021			2020		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Equity derivatives						
OTC						
Swaps	6,512,995	266,028	(137,689)	10,392,855	455,538	(29,490)
Options - Purchased	—	—	—	139	43,623	—
Options - Written	—	—	—	139	—	(41,405)
Currency derivatives						
OTC						
Forwards	—	—	—	95	—	—
Total	\$ 6,512,995	\$ 266,028	\$ (137,689)	\$ 10,393,228	\$ 499,161	\$ (70,895)

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

	2021	2020
Less than 1 year	\$ 6,560,099	\$ 10,393,228
1 to 2 years	(47,104)	—
Total	\$ 6,512,995	\$ 10,393,228

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

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

INDEXED GLOBAL EQUITY FUND 1

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The Indexed Global Equity Fund 1 (the "Fund") provides clients with exposure to equity markets from across the globe at a low management fee. The Fund has the same strategy, goals, investment policies, and other features as another pooled investment portfolio, the Indexed Global Equity Fund 2. Clients that elect to participate in these Funds are allocated units in the respective Fund that optimizes the regulatory, tax, or administrative requirements applicable to each client. The Funds' benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"). The Funds' performance objective is to replicate the returns of the Index. The Funds are managed internally by BCI. BCI portfolio managers hold company, sector, and country allocations roughly in proportion to their benchmark weights and have discretion to determine the appropriate timing of implementing Index changes.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

INDEXED GLOBAL EQUITY FUND 1

Credit Risk

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

DERIVATIVES BY CREDIT RATING	2021				2020			
	Fair Value						Fair Value	
	Notional Value	Derivative Assets	Derivative Liabilities	Notional Value	Derivative Assets	Derivative Liabilities		
AAA/AA	\$ 5,416,163	\$ 97,433	\$ (2,573)	\$ 4,384,179	\$ 201,834	\$ —		
A	1,096,832	168,595	(135,116)	6,009,049	297,327	(70,895)		
Total Derivatives	\$ 6,512,995	\$ 266,028	\$ (137,689)	\$ 10,393,228	\$ 499,161	\$ (70,895)		

Liquidity Risk

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

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

2021						
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total	
Derivative assets	\$ 266,028	\$ 266,028	\$ —	\$ —	\$ 266,028	
Derivative liabilities	(137,689)	(133,797)	(3,892)	—	(137,689)	
	\$ 128,339	\$ 132,231	\$ (3,892)	\$ —	\$ 128,339	

2020						
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total	
Derivative assets	\$ 499,161	\$ 499,161	\$ —	\$ —	\$ 499,161	
Derivative liabilities	(70,895)	(70,895)	—	—	(70,895)	
	\$ 428,266	\$ 428,266	\$ —	\$ —	\$ 428,266	

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing and the Fund's investments in BCI's floating rate funds provide a floating rate of return. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

INDEXED GLOBAL EQUITY FUND 1

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.

2021					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Australian Dollar	\$ 37,024	\$ —	\$ 37,024	0.4 %	
British Pound Sterling	71,105	—	71,105	0.8	
Danish Krone	14,427	—	14,427	0.2	
Euro	184,427	—	184,427	2.2	
Hong Kong Dollar	14,139	—	14,139	0.2	
Israeli New Shekel	2,669	—	2,669	—	
Japanese Yen	120,524	—	120,524	1.4	
New Zealand Dollar	1,123	—	1,123	—	
Norwegian Krone	3,529	—	3,529	—	
Singapore Dollar	5,554	—	5,554	0.1	
Swedish Krona	21,104	—	21,104	0.2	
Swiss Franc	55,734	—	55,734	0.7	
United States Dollar	1,336,291	—	1,336,291	15.7	
Net Foreign Exchange Exposure	\$ 1,867,650	\$ —	\$ 1,867,650	21.9 %	

2020					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Australian Dollar	\$ 39,952	\$ —	\$ 39,952	0.3 %	
British Pound Sterling	72,366	—	72,366	0.6	
Danish Krone	14,169	—	14,169	0.1	
Euro	188,756	2	188,758	1.5	
Hong Kong Dollar	17,466	—	17,466	0.1	
Israeli New Shekel	2,251	—	2,251	—	
Japanese Yen	144,103	(85)	144,018	1.1	
New Zealand Dollar	1,714	—	1,714	—	
Norwegian Krone	3,386	—	3,386	—	
Singapore Dollar	6,003	—	6,003	—	
Swedish Krona	18,883	—	18,883	0.1	
Swiss Franc	54,290	—	54,290	0.4	
United States Dollar	1,214,584	89	1,214,673	9.6	
Net Foreign Exchange Exposure	\$ 1,777,923	\$ 6	\$ 1,777,929	14.1 %	

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 \$18,677 (2020 - \$17,779), representing 0.2% of the Fund's net assets (2020 - 0.1%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

INDEXED GLOBAL EQUITY FUND 1

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 1,067,897	12.6 %	\$ 1,567,469	12.4 %
Consumer Staples	596,314	7.0	973,720	7.7
Energy	235,203	2.8	302,637	2.4
Financials	1,050,330	12.3	1,516,711	12.0
Health Care	1,109,197	13.0	1,681,412	13.3
Industrials	864,802	10.2	1,318,989	10.5
Information Technology	2,050,059	24.1	2,824,275	22.4
Materials	336,770	4.0	535,981	4.3
Real Estate	243,170	2.9	341,466	2.7
Telecommunication Services	723,868	8.5	1,145,826	9.1
Utilities	229,952	2.6	389,915	3.2
Other	139	—	—	—
Total	\$ 8,507,701	100.0 %	\$ 12,598,401	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$872,200 (2020 - \$1,258,891) or 10.2% (2020 - 10.0%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

INDEXED GLOBAL EQUITY FUND 1

Equity by Geographic Region

The Fund's equity investments and equity derivative financial instruments are concentrated in the following geographic regions:

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Argentina	\$ 6,641	0.1 %	\$ 16,302	0.1 %
Australia	185,833	2.2	314,166	2.5
Austria	7,071	0.1	7,011	0.1
Belgium	19,817	0.2	36,480	0.3
Brazil	920	—	1,576	—
Chile	787	—	1,689	—
China	19,631	0.2	17,920	0.1
Denmark	65,912	0.8	101,047	0.8
Finland	29,436	0.3	47,724	0.4
France	269,270	3.2	439,766	3.5
Germany	212,806	2.5	377,241	3.0
Hong Kong	61,586	0.7	121,223	1.0
Ireland	16,913	0.2	28,142	0.2
Israel	16,840	0.2	24,072	0.2
Italy	52,596	0.6	85,418	0.7
Japan	548,756	6.5	1,015,609	8.1
Mexico	—	—	619	—
Netherlands	138,124	1.6	184,908	1.5
New Zealand	6,594	0.1	15,050	0.1
Norway	14,736	0.2	21,251	0.2
Poland	265	—	—	—
Portugal	3,953	—	6,881	0.1
Russia	1,223	—	715	—
Saudi Arabia	1,987	—	—	—
Singapore	28,998	0.3	40,465	0.3
South Africa	5,811	0.1	8,844	0.1
Spain	55,437	0.7	97,781	0.8
Sweden	92,197	1.1	130,191	1.0
Switzerland	251,731	3.0	392,976	3.1
Taiwan	3,393	—	—	—
United Kingdom	323,736	3.8	515,433	4.1
United States	6,064,701	71.3	8,547,901	67.7
Total	\$ 8,507,701	100.0 %	\$ 12,598,401	100.0 %

INDEXED GLOBAL EQUITY FUND 1

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Publicly traded	\$ 1,864,264	\$ —	\$ 1,864,264	\$ 1,774,929	\$ —	\$ 1,774,929
Floating rate funds	6,515,105	—	6,515,105	10,400,408	—	10,400,408
BCI Public Equity Funds	5,966	—	5,966	—	—	—
Total investments	8,385,335	—	8,385,335	12,175,337	—	12,175,337
Swaps, net	—	128,339	128,339	—	426,048	426,048
Options, net	—	—	—	—	2,218	2,218
Total derivatives	—	128,339	128,339	—	428,266	428,266
Total	\$ 8,385,335	\$ 128,339	\$ 8,513,674	\$ 12,175,337	\$ 428,266	\$ 12,603,603

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.

During 2021 and 2020, there were no significant transfers between the three levels in the hierarchy.

INDEXED GLOBAL EQUITY FUND 1

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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 floating rate funds administered by BCI	1	14,093,062	6,515,105	1	14,553,479	10,400,408
Investee equity funds administered by BCI	1	119,110	5,966	—	—	—

ACTIVE EMERGING MARKETS 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
Cash		\$ 168,348	\$ 276,863
Receivable from sale of investments		12,900	23,718
Interest receivable		—	1
Dividends receivable		9,870	8,635
Withholding tax reclaims receivable	6	355	586
Derivative assets			
Forwards		11	4
Investments		6,705,950	6,568,321
Total assets		6,897,434	6,878,128
Liabilities			
Payable for purchase of investments		9,446	73,176
BCI cost recoveries payable	4	445	41,065
External management fees payable		9,304	19,772
Other accounts payable		1,796	693
Derivative liabilities			
Forwards		5	49
		20,996	134,755
Net assets attributable to holders of redeemable units		\$ 6,876,438	\$ 6,743,373
Number of redeemable units outstanding	5	3,172.320	3,164.161
Net assets attributable to holders of redeemable units per unit		\$ 2,168	\$ 2,131
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

ACTIVE EMERGING MARKETS EQUITY 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
Interest income		\$ 265	\$ 2,566
Dividend income		209,407	104,755
Securities lending income		509	396
Other income	11	41,260	290
Foreign exchange gain		4,134	9,950
Change in fair value of investments and derivatives:			
Net realized gain		538,464	382,072
Net change in unrealized appreciation		(595,926)	929,229
Total revenue		198,113	1,429,258
Expenses			
BCI cost recoveries	4	5,549	8,220
External management fees		38,060	45,588
Administrative fees		2,615	2,026
Commissions and stock exchange fees		17,232	18,338
Pursuit costs		—	25
Withholding taxes	6	19,447	11,610
Total operating expenses		82,903	85,807
Increase in net assets attributable to holders of redeemable units before distributions		115,210	1,343,451
Distributions to holders of redeemable units		(719,038)	(435,462)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (603,828)	\$ 907,989

ACTIVE EMERGING MARKETS 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	\$ 6,743,373	\$ 4,136,191
Increase (decrease) in net assets attributable to holders of redeemable units	(603,828)	907,989
Redeemable unit transactions:		
Proceeds from units issued	681,977	1,898,539
Reinvestment of distributions	719,038	435,462
Amounts paid for units redeemed	(664,122)	(634,808)
Net increase from redeemable unit transactions	736,893	1,699,193
Balance, end of year	\$ 6,876,438	\$ 6,743,373

ACTIVE EMERGING MARKETS 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 (decrease) in net assets attributable to holders of redeemable units	\$ (603,828)	\$ 907,989
Adjustments for:		
Foreign exchange gain	(4,134)	(9,950)
Interest income	(265)	(2,566)
Dividend income	(209,407)	(104,755)
Withholding taxes	19,447	11,610
Net realized gain from investments and derivatives	(538,464)	(382,072)
Net change in unrealized appreciation of investments and derivatives	595,926	(929,229)
Amortization of premiums and discounts	—	(364)
Non cash distributions	719,038	435,462
Security lending revenue receivable	—	19
BCI cost recoveries payable	(40,620)	3,329
Other accounts payable	1,103	43
Interest received	266	2,572
Dividends received	208,172	100,137
Withholding taxes paid	(19,216)	(11,220)
External management fees payable	(10,468)	15,059
Net purchase of investments and derivatives	(248,054)	(1,203,349)
	(130,504)	(1,167,285)
Financing activities		
Proceeds from issuance of redeemable units	681,977	1,899,289
Payments on redemption of redeemable units	(664,122)	(634,808)
	17,855	1,264,481
Net increase (decrease) in cash	(112,649)	97,196
Effect of exchange rate changes on cash	4,134	9,950
Cash, beginning of year	276,863	169,717
Cash, end of year	\$ 168,348	\$ 276,863

ACTIVE EMERGING MARKETS 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
Equity Investments				
Publicly Traded	\$ 6,705,154	\$ 5,865,225	\$ 6,541,801	\$ 5,110,770
Exchange Traded Funds	—	—	26,203	21,345
	6,705,154	5,865,225	6,568,004	5,132,115
Bonds				
Corporate	—	—	155	133
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	587	587	2	2
Fund ST3	209	207	160	163
	796	794	162	165
Total Investments	\$ 6,705,950	\$ 5,866,019	\$ 6,568,321	\$ 5,132,413

ACTIVE EMERGING MARKETS EQUITY FUND

Derivative Assets and Liabilities

(Expressed in thousands of dollars)

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

	2021			2020		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Currency derivatives						
OTC						
Forwards	11,850	11	(5)	80,756	4	(49)
Total	\$ 11,850	\$ 11	\$ (5)	\$ 80,756	\$ 4	\$ (49)

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

	2021	2020
Less than 1 year	\$ 11,850	\$ 80,756
Total	\$ 11,850	\$ 80,756

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

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

ACTIVE EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

- not more than 10% of the market value of the Fund can be invested in the securities of one company;
- investments in companies whose country is classified as a frontier market by MSCI are limited to 10% of the market value of the Fund;
- investments in companies whose country is classified as a developed market by MSCI are limited to 10% of the market value of the Fund;
- the Fund may not sell a security which it does not own (i.e. a short sale), borrow securities, or purchase securities using a margin account;
- the Fund may not borrow money or use derivatives to create leverage;
- at inception, external counterparties must be financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

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

ACTIVE EMERGING MARKETS EQUITY FUND

Credit Risk

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

DERIVATIVES BY CREDIT RATING	2021				2020				
	Notional Value	Fair Value		Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities			
AAA/AA	\$ 11,261	\$ 11	\$ (5)	\$ 2	\$ —	\$ —	\$ —	\$ —	\$ —
A	589	—	—	80,754	4	—	80,754	4	(49)
Total Derivatives	\$ 11,850	\$ 11	\$ (5)	\$ 80,756	\$ 4	\$ —	\$ 80,756	\$ 4	\$ (49)

Liquidity Risk

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

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

	2021					Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year		
Derivative assets	\$ 11	\$ 11	\$ —	\$ —	\$ —	11
Derivative liabilities	(5)	(5)	—	—	—	(5)
	\$ 6	\$ 6	\$ —	\$ —	\$ —	6

	2020					Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year		
Derivative assets	\$ 4	\$ 4	\$ —	\$ —	\$ —	4
Derivative liabilities	(49)	(49)	—	—	—	(49)
	\$ (45)	\$ (45)	\$ —	\$ —	\$ —	(45)

Interest Rate Risk

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

ACTIVE EMERGING MARKETS 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.

2021					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Brazilian Real	\$ 212,457	\$ —	\$ 212,457	3.1 %	
British Pound Sterling	4,757	—	4,757	0.1	
Chilean Peso	3,772	—	3,772	0.1	
Chinese Yuan Renminbi	1,850,918	—	1,850,918	26.9	
Czech Koruna	14,303	—	14,303	0.2	
Euro	126,546	1,823	128,369	1.9	
Hong Kong Dollar	1,105,241	160	1,105,401	16.1	
Hungarian Forint	23,538	—	23,538	0.3	
Indian Rupee	1,077,800	—	1,077,800	15.7	
Indonesian Rupiah	63,588	—	63,588	0.9	
Malaysian Ringgit	7,391	—	7,391	0.1	
Mexican Peso	38,278	—	38,278	0.6	
Poland Zloty	45,266	(164)	45,102	0.7	
Qatari Rial	6,893	—	6,893	0.1	
Russian Ruble	234,472	—	234,472	3.4	
South African Rand	128,058	(1,011)	127,047	1.8	
South Korean Won	535,633	156	535,789	7.8	
Taiwan Dollar	435,035	—	435,035	6.3	
Thai Baht	69,165	—	69,165	1.0	
Turkish Lira	20,071	—	20,071	0.3	
United Arab Emirates Dirham	14,195	—	14,195	0.2	
United States Dollar	866,737	(957)	865,780	12.6	
Net Foreign Exchange Exposure	\$ 6,884,114	\$ 7	\$ 6,884,121	100.1 %	

ACTIVE EMERGING MARKETS EQUITY FUND

2020

CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 192,662	\$ —	\$ 192,662	2.9 %
Euro	66,651	10,285	76,936	1.1
Hong Kong Dollar	968,193	15,924	984,117	14.6
Hungarian Forint	23,716	—	23,716	0.4
Indian Rupee	802,516	5,214	807,730	12.0
Indonesian Rupiah	25,066	—	25,066	0.4
Malaysian Ringgit	9,437	—	9,437	0.1
Pakistani Rupee	1,396	—	1,396	—
Poland Zloty	85,382	(265)	85,117	1.3
Russian Ruble	74,026	—	74,026	1.1
South African Rand	151,666	32	151,698	2.2
South Korean Won	672,907	500	673,407	10.0
Taiwan Dollar	292,388	—	292,388	4.3
Thai Baht	28,483	—	28,483	0.4
Turkish Lira	35,992	—	35,992	0.5
United Arab Emirates Dirham	10,335	—	10,335	0.2
United States Dollar	1,318,002	(39,610)	1,278,392	19.0
Net Foreign Exchange Exposure	\$ 6,800,822	\$ (46)	\$ 6,800,776	100.9 %

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 \$68,841 (2020 - \$68,008), 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.

ACTIVE EMERGING MARKETS EQUITY FUND

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 967,046	14.5 %	\$ 1,150,964	17.5 %
Consumer Staples	564,541	8.4	743,803	11.4
Energy	451,122	6.7	186,802	2.9
Financials	1,384,135	20.6	1,206,785	18.4
Health Care	328,170	4.9	222,085	3.4
Industrials	296,725	4.4	304,390	4.7
Information Technology	1,539,304	23.0	1,409,776	21.6
Materials	594,597	8.9	489,182	7.5
Real Estate	41,751	0.6	140,085	2.1
Telecommunication Services	390,022	5.8	498,673	7.6
Utilities	147,741	2.2	189,256	2.9
Total	\$ 6,705,154	100.0 %	\$ 6,541,801	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$536,460 (2020 - \$508,944) or 7.8% (2020 - 7.5%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

ACTIVE EMERGING MARKETS EQUITY FUND

Equity by Geographic Region

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Brazil	364,084	5.4	271,975	4.2
Chile	10,067	0.2	9,728	0.1
China	2,912,940	43.3	3,202,446	48.9
Colombia	—	—	2,426	—
Czech Republic	14,303	0.2	10,320	0.2
Egypt	7,103	0.1	6,106	0.1
Greece	13,041	0.2	4,532	0.1
Hong Kong	178,646	2.7	91,455	1.4
Hungary	23,538	0.4	23,716	0.4
India	1,200,838	17.9	901,214	13.8
Indonesia	63,588	0.9	25,066	0.4
Korea	530,414	7.9	667,304	10.1
Malaysia	7,130	0.1	9,164	0.1
Mexico	56,413	0.8	30,933	0.5
Netherlands	90,575	1.4	60,754	0.9
Pakistan	—	—	1,396	—
Peru	4,897	0.1	—	—
Poland	45,102	0.7	85,118	1.3
Qatar	6,893	0.1	—	—
Russia	374,033	5.6	263,536	4.0
Singapore	—	—	36,489	0.6
South Africa	126,587	1.9	151,194	2.3
Spain	24,225	0.4	11,521	0.2
Taiwan	432,488	6.5	422,909	6.5
Thailand	69,165	1.0	28,483	0.4
Turkey	20,071	0.3	35,992	0.6
United Arab Emirates	14,195	0.2	10,335	0.2
United Kingdom	26,447	0.4	2,364	—
United States	82,137	1.2	175,325	2.7
Kazakhstan	6,234	0.1	—	—
Total	\$ 6,705,154	100.0 %	\$ 6,541,801	100.0 %

ACTIVE EMERGING MARKETS EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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
Publicly traded	\$ 6,705,154	\$ —	\$ —	\$ 6,705,154	\$ 6,532,637	\$ —	\$ 9,164	\$ 6,541,801
Exchange traded funds	—	—	—	—	26,203	—	—	26,203
Money market funds	796	—	—	796	162	—	—	162
Bonds	—	—	—	—	—	155	—	155
Total investments	6,705,950	—	—	6,705,950	6,559,002	155	9,164	6,568,321
Forwards, net	—	6	—	6	—	(45)	—	(45)
Total derivatives	—	6	—	6	—	(45)	—	(45)
Total	\$ 6,705,950	\$ 6	\$ —	\$ 6,705,956	\$ 6,559,002	\$ 110	\$ 9,164	\$ 6,568,276

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.

During 2020, there was one instance of a transfer between Level 1 and Level 3 as a result of a public equity security held in the fund that suspended trading for a prolonged period. In 2021, there were no significant transfers between the three levels in the hierarchy.

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

	2021	2020
Opening balance, beginning of year	\$ 9,164	\$ —
Total losses recognized in profit or loss	(9,164)	—
Transfers	—	9,164
Closing balance, end of year	\$ —	\$ 9,164
Total unrealized losses for the period included in profit or loss related to level 3 investments held at the reporting date	\$ (9,164)	\$ —

Significant Unobservable Inputs Used in Measuring Fair Value

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

ACTIVE EMERGING MARKETS EQUITY FUND

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Public equity security	\$ —	Net Asset Value	Net Asset Value	—	The estimated fair value would increase (decrease) if the net asset value of investment was higher (lower).

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Public equity security	\$ 9,164	Net Asset Value	Net Asset Value	9,164	The estimated fair value would increase (decrease) if the net asset value of investment was higher (lower).

Significant unobservable inputs are developed as follows:

Net Asset Value:

Represents the net asset value of a public equity security that has been suspended from trading for a prolonged period of time and is in the process of liquidation. BCI management values this security primarily based on the latest available financial information provided by the issuer, as the last traded price prior to suspension is no longer indicative of fair value. In such cases, it is the Fund's policy to categorize the security as Level 3 within the fair value hierarchy.

Effects of Unobservable Input on Fair Value Measurement

The public equity security is valued based on information received from the management of the investee. Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to holders of redeemable units. The following table shows how the net assets attributable to holders of redeemable units would change if the valuation of the public equity security was calculated by adjusting the investment's fair market value by 10%.

	2021	2020
Favourable	\$ —	\$ 916
Unfavourable	—	(916)

ACTIVE EMERGING MARKETS EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	\$ 796	2	\$ 2,904,346	\$ 162

INDEXED EMERGING MARKETS 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
Cash		\$ 2,426	\$ 2,004
Receivable from sale of investments		332	30,036
Dividends receivable		7,000	6,759
Withholding tax reclaims receivable	6	168	64
Derivative assets			
Swaps		20,905	389,606
Investments		7,837,806	7,752,455
Total assets		7,868,637	8,180,924
Liabilities			
Payable for purchase of investments		—	31,403
BCI cost recoveries payable	4	1,127	2,054
Other accounts payable		1,519	685
Derivative liabilities			
Swaps		46,447	108,226
Forwards		—	1
		49,093	142,369
Net assets attributable to holders of redeemable units		\$ 7,819,544	\$ 8,038,555
Number of redeemable units outstanding	5	4,121,290	4,106,236
Net assets attributable to holders of redeemable units per unit		\$ 1,897	\$ 1,958
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

INDEXED EMERGING MARKETS EQUITY 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
Interest income		\$ 22,644	\$ 80,481
Dividend income		138,627	86,440
Securities lending income		4,052	3,921
Other income	11	1,758	19
Foreign exchange gain (loss)		(1,548)	2,749
Change in fair value of investments and derivatives:			
Net realized gain		299,040	611,693
Net change in unrealized appreciation		(581,571)	499,394
Total revenue		(116,998)	1,284,697
Expenses			
BCI cost recoveries	4	14,253	12,726
Administrative fees		1,846	1,300
Commissions and stock exchange fees		701	755
Other expenses		—	4
Withholding taxes	6	8,074	9,363
Total operating expenses		24,874	24,148
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		(141,872)	1,260,549
Distributions to holders of redeemable units		(439,385)	(754,225)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (581,257)	\$ 506,324

INDEXED EMERGING MARKETS 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	\$ 8,038,555	\$ 10,003,817
Increase (decrease) in net assets attributable to holders of redeemable units	(581,257)	506,324
Redeemable unit transactions:		
Proceeds from units issued	2,112,723	535,842
Reinvestment of distributions	439,385	754,225
Amounts paid for units redeemed	(2,189,862)	(3,761,653)
Net increase (decrease) from redeemable unit transactions	362,246	(2,471,586)
Balance, end of year	\$ 7,819,544	\$ 8,038,555

INDEXED EMERGING MARKETS 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 (decrease) in net assets attributable to holders of redeemable units	\$ (581,257)	\$ 506,324
Adjustments for:		
Foreign exchange (gain) loss	1,548	(2,749)
Interest income	(22,644)	(80,481)
Dividend income	(138,627)	(86,440)
Withholding taxes	8,074	9,363
Net realized gain from investments and derivatives	(299,040)	(611,693)
Net change in unrealized appreciation of investments and derivatives	581,571	(499,394)
Amortization of premiums and discounts	20,123	5,022
Non cash distributions	439,385	754,225
Security lending revenue receivable	—	104
BCI cost recoveries payable	(927)	269
Other accounts payable	834	(20)
Interest received	22,644	80,481
Dividends received	138,386	87,396
Withholding taxes paid	(8,178)	(8,979)
Net sale (purchase) of investments and derivatives	(82,783)	3,068,558
	79,109	3,221,986
Financing activities		
Proceeds from issuance of redeemable units	2,112,723	535,842
Payments on redemption of redeemable units	(2,189,862)	(3,761,653)
	(77,139)	(3,225,811)
Net increase (decrease) in cash	1,970	(3,825)
Effect of exchange rate changes on cash	(1,548)	2,749
Cash, beginning of year	2,004	3,080
Cash, end of year	\$ 2,426	\$ 2,004

INDEXED EMERGING MARKETS 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
Equity Investments				
Publicly Traded	\$ 3,542,932	\$ 2,898,850	\$ 3,819,638	\$ 2,916,090
Exchange Traded Funds	2,469	2,430	599	597
	3,545,401	2,901,280	3,820,237	2,916,687
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 1 Floating Rate Fund	4,292,405	4,321,017	3,932,218	3,945,609
Total Investments	\$ 7,837,806	\$ 7,222,297	\$ 7,752,455	\$ 6,862,296

INDEXED EMERGING MARKETS EQUITY FUND

Derivative Assets and Liabilities

(Expressed in thousands of dollars)

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

	2021			2020		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Equity derivatives						
OTC						
Swaps	\$ 4,290,410	\$ 20,905	\$ (46,447)	\$ 3,928,845	\$ 389,606	\$ (108,226)
Currency derivatives						
OTC						
Forwards	—	—	—	595	—	(1)
Total	\$ 4,290,410	\$ 20,905	\$ (46,447)	\$ 3,929,440	\$ 389,606	\$ (108,227)

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

	2021	2020
Less than 1 year	\$ 4,284,546	\$ 3,576,616
1 to 2 years	5,864	352,824
Total	\$ 4,290,410	\$ 3,929,440

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

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

INDEXED EMERGING MARKETS EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

INDEXED EMERGING MARKETS EQUITY FUND

Credit Risk

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

DERIVATIVES BY CREDIT RATING	2021				2020			
	Notional Value	Fair Value		Notional Value	Fair Value			
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities		
AAA/AA	\$ 12,665	\$ 19	\$ (85)	\$ 595	\$ —	\$ (1)		
A	4,277,745	20,886	(46,362)	3,928,845	389,606	(108,226)		
Total Derivatives	\$ 4,290,410	\$ 20,905	\$ (46,447)	\$ 3,929,440	\$ 389,606	\$ (108,227)		

Liquidity Risk

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

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

	2021				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 20,905	\$ 20,012	\$ 893	\$ —	20,905
Derivative liabilities	(46,447)	(44,744)	(1,703)	—	(46,447)
	\$ (25,542)	\$ (24,732)	\$ (810)	\$ —	(25,542)

	2020				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 389,606	\$ 303,108	\$ 86,497	\$ 1	389,606
Derivative liabilities	(108,227)	(78,079)	(30,147)	(1)	(108,227)
	\$ 281,379	\$ 225,029	\$ 56,350	\$ —	281,379

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing and the Fund's investments in BCI's floating rate funds provide a floating rate of return. Accordingly, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing market interest rates.

INDEXED EMERGING MARKETS 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.

2021					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Brazilian Real	\$ 165,615	\$ —	\$ 165,615	2.1 %	
Chilean Peso	15,305	—	15,305	0.2	
Colombian Peso	6,946	—	6,946	0.1	
Czech Koruna	5,773	—	5,773	0.1	
Egyptian Pound	638	—	638	—	
Euro	8,609	—	8,609	0.1	
Hong Kong Dollar	956,005	—	956,005	12.2	
Hungarian Forint	9,611	—	9,611	0.1	
Indian Rupee	511,980	—	511,980	6.5	
Indonesian Rupiah	20,914	—	20,914	0.3	
Malaysian Ringgit	54,882	—	54,882	0.7	
Mexican Peso	84,073	—	84,073	1.1	
Pakistani Rupee	5	—	5	—	
Philippine Peso	29,129	—	29,129	0.4	
Poland Zloty	31,341	—	31,341	0.4	
Qatari Rial	31,922	—	31,922	0.4	
Russian Ruble	130,644	—	130,644	1.7	
South African Rand	28,302	—	28,302	0.4	
South Korean Won	525,198	—	525,198	6.7	
Taiwan Dollar	642,811	—	642,811	8.2	
Thai Baht	65,703	—	65,703	0.8	
Turkish Lira	2,084	—	2,084	—	
United Arab Emirates Dirham	45,823	—	45,823	0.6	
United States Dollar	180,471	—	180,471	2.3	
Net Foreign Exchange Exposure	\$ 3,553,784	\$ —	\$ 3,553,784	45.4 %	

INDEXED EMERGING MARKETS EQUITY FUND

2020

CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 220,962	\$ —	\$ 220,962	2.7 %
Chilean Peso	21,770	—	21,770	0.3
Colombian Peso	8,598	—	8,598	0.1
Czech Koruna	4,298	—	4,298	0.1
Egyptian Pound	792	—	792	—
Euro	4,618	—	4,618	0.1
Hong Kong Dollar	938,885	—	938,885	11.7
Hungarian Forint	9,131	—	9,131	0.1
Indian Rupee	399,361	—	399,361	5.0
Indonesian Rupiah	19,318	—	19,318	0.2
Malaysian Ringgit	61,997	—	61,997	0.8
Mexican Peso	74,730	—	74,730	0.9
Pakistani Rupee	736	—	736	—
Philippine Peso	31,933	—	31,933	0.4
Poland Zloty	29,253	—	29,253	0.4
Qatari Rial	30,210	—	30,210	0.4
Russian Ruble	112,334	—	112,334	1.4
South African Rand	50,814	595	51,409	0.6
South Korean Won	584,782	—	584,782	7.3
Taiwan Dollar	549,286	—	549,286	6.8
Thai Baht	78,448	—	78,448	1.0
Turkish Lira	5,557	—	5,557	0.1
United Arab Emirates Dirham	22,761	—	22,761	0.3
United States Dollar	567,102	(595)	566,507	7.0
Net Foreign Exchange Exposure	\$ 3,827,676	\$ —	\$ 3,827,676	47.6 %

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 \$35,538 (2020 - \$38,277), representing 0.5% of the Fund's net assets (2020 - 0.5%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

INDEXED EMERGING MARKETS EQUITY FUND

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 1,057,865	13.5 %	\$ 1,473,408	18.4 %
Consumer Staples	458,555	5.9	471,120	5.9
Energy	434,786	5.6	402,758	5.0
Financials	1,514,928	19.4	1,441,922	18.0
Health Care	330,798	4.2	380,381	4.7
Industrials	395,244	5.1	348,040	4.3
Information Technology	1,769,064	22.7	1,644,596	20.5
Materials	672,041	8.6	607,130	7.6
Real Estate	152,534	2.0	164,895	2.1
Telecommunication Services	836,946	10.6	932,685	11.5
Utilities	185,160	2.4	161,876	2.0
Total	\$ 7,807,921	100.0 %	\$ 8,028,811	100.0 %

As at December 31, had the benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$620,007 (2020 - \$636,356) or 7.9% (2020 - 7.9%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

INDEXED EMERGING MARKETS EQUITY FUND

Equity by Geographic Region

The Fund's equity investments and equity derivative financial instruments are concentrated in the following geographic regions:

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Argentina	\$ —	— %	\$ 9,747	0.1 %
Australia	7,562	0.1	8,093	0.1
Brazil	308,989	4.0	407,043	5.1
Chile	28,820	0.4	40,385	0.5
China	2,538,777	32.6	3,131,479	39.0
Colombia	13,088	0.2	15,841	0.2
Czech Republic	10,871	0.1	7,966	0.1
Egypt	6,678	0.1	6,684	0.1
Greece	16,314	0.2	8,583	0.1
Hong Kong	7,185	0.1	13,151	0.2
Hungary	18,274	0.2	16,947	0.2
India	971,781	12.4	742,274	9.2
Indonesia	112,924	1.4	106,905	1.3
Korea	999,578	12.8	1,079,744	13.4
Kuwait	47,531	0.6	39,176	0.5
Malaysia	108,162	1.4	121,423	1.5
Mexico	159,659	2.0	138,946	1.7
Pakistan	—	—	1,368	—
Peru	14,997	0.2	19,593	0.2
Philippines	55,223	0.7	59,319	0.7
Poland	59,415	0.8	54,304	0.7
Qatar	60,665	0.8	56,071	0.7
Romania	2,491	—	2,159	—
Russia	279,291	3.6	236,851	3.0
Saudi Arabia	260,545	3.3	195,414	2.4
Singapore	717	—	847	—
South Africa	236,994	3.0	268,969	3.4
Taiwan	1,239,094	15.9	1,021,912	12.8
Thailand	130,570	1.7	143,046	1.8
Turkey	18,111	0.2	30,023	0.4
United Arab Emirates	87,033	1.1	42,263	0.6
United States	6,582	0.1	2,285	—
Total	\$ 7,807,921	100.0 %	\$ 8,028,811	100.0 %

INDEXED EMERGING MARKETS EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Publicly traded	\$ 3,542,932	\$ —	\$ 3,542,932	\$ 3,819,638	\$ —	\$ 3,819,638
Exchange traded funds	2,469	—	2,469	599	—	599
Floating rate funds	4,292,405	—	4,292,405	3,932,218	—	3,932,218
Total investments	7,837,806	—	7,837,806	7,752,455	—	7,752,455
Swaps, net	—	(25,542)	(25,542)	—	281,380	281,380
Forwards, net	—	—	—	—	(1)	(1)
Total derivatives	—	(25,542)	(25,542)	—	281,379	281,379
Total	\$ 7,837,806	\$ (25,542)	\$ 7,812,264	\$ 7,752,455	\$ 281,379	\$ 8,033,834

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.

During 2021 and 2020 there were no significant transfers between the three levels in the hierarchy.

INDEXED EMERGING MARKETS EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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 floating rate funds administered by BCI	1	14,093,062	4,292,405	1	14,553,479	3,932,218

THEMATIC PUBLIC 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
Cash		\$ 75,792	\$ 84,480
Receivable from sale of investments		—	25,074
Dividends receivable		3,690	2,263
Withholding tax reclaims receivable	6	1,188	870
Derivative assets			
Swaps		—	23,686
Investments		6,305,999	4,591,390
Total assets		6,386,669	4,727,763
Liabilities			
Payable for purchase of investments		—	32,169
BCI cost recoveries payable	4	755	2,512
Other accounts payable		308	62
Derivative liabilities			
Forwards		—	5
		1,063	34,748
Net assets attributable to holders of redeemable units		\$ 6,385,606	\$ 4,693,015
Number of redeemable units outstanding	5	1,868.950	1,551.659
Net assets attributable to holders of redeemable units per unit		\$ 3,417	\$ 3,025
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

THEMATIC PUBLIC EQUITY 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
Interest income		\$ 249	\$ 3,024
Dividend income		72,010	38,147
Securities lending income		1,678	1,684
Other income	11	2,201	60
Foreign exchange gain (loss)		4,518	(3,617)
Change in fair value of investments and derivatives:			
Net realized gain		667,012	330,141
Net change in unrealized appreciation		(33,916)	400,487
Total revenue		713,752	769,926
Expenses			
BCI cost recoveries	4	9,695	8,085
Administrative fees		989	120
Commissions and stock exchange fees		3,142	2,270
Withholding taxes	6	7,503	1,256
Total operating expenses		21,329	11,731
Increase in net assets attributable to holders of redeemable units before distributions		692,423	758,195
Distributions to holders of redeemable units		(731,924)	(351,929)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (39,501)	\$ 406,266

THEMATIC PUBLIC 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	\$ 4,693,015	\$ 2,684,780
Increase (decrease) in net assets attributable to holders of redeemable units	(39,501)	406,266
Redeemable unit transactions:		
Proceeds from units issued	1,007,168	1,250,040
Reinvestment of distributions	731,924	351,929
Amounts paid for units redeemed	(7,000)	—
Net increase from redeemable unit transactions	1,732,092	1,601,969
Balance, end of year	\$ 6,385,606	\$ 4,693,015

THEMATIC PUBLIC 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 (decrease) in net assets attributable to holders of redeemable units	\$ (39,501)	\$ 406,266
Adjustments for:		
Foreign exchange (gain) loss	(4,518)	3,617
Interest income	(249)	(3,024)
Dividend income	(72,010)	(38,147)
Withholding taxes	7,503	1,256
Net realized gain from investments and derivatives	(667,012)	(330,141)
Net change in unrealized appreciation of investments and derivatives	33,916	(400,487)
Amortization of premiums and discounts	151	(148)
Non cash distributions	731,924	351,929
Security lending revenue receivable	—	26
BCI cost recoveries payable	(1,757)	173
Other accounts payable	246	—
Interest received	249	3,024
Dividends received	70,583	37,015
Withholding taxes paid	(7,821)	(1,218)
Net purchase of investments and derivatives	(1,065,078)	(1,276,847)
	(1,013,374)	(1,246,706)
Financing activities		
Proceeds from issuance of redeemable units	1,007,168	1,250,040
Payments on redemption of redeemable units	(7,000)	—
	1,000,168	1,250,040
Net increase (decrease) in cash	(13,206)	3,334
Effect of exchange rate changes on cash	4,518	(3,617)
Cash, beginning of year	84,480	84,763
Cash, end of year	\$ 75,792	\$ 84,480

THEMATIC PUBLIC 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
Equity Investments				
Publicly Traded	\$ 6,284,923	\$ 5,469,487	\$ 4,464,579	\$ 3,634,109
Direct Private Equity	18,786	7,500	14,411	7,500
	6,303,709	5,476,987	4,478,990	3,641,609
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	1,002	1,002	1,000	1,000
Fund ST2	12	12	8	8
Fund ST3	1,276	1,412	1,287	1,412
	2,290	2,426	2,295	2,420
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 1 Floating Rate Fund	—	—	110,105	110,540
Total Investments	\$ 6,305,999	\$ 5,479,413	\$ 4,591,390	\$ 3,754,569

THEMATIC PUBLIC EQUITY FUND

Derivative Assets and Liabilities

(Expressed in thousands of dollars)

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

	2021			2020		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Equity derivatives						
OTC						
Swaps	—	—	—	110,000	23,686	—
Currency derivatives						
OTC						
Forwards	—	—	—	2,403	—	(5)
Total	\$ —	\$ —	\$ —	\$ 112,403	\$ 23,686	\$ (5)

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

	2021	2020
Less than 1 year	\$ —	\$ 112,403
Total	\$ —	\$ 112,403

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

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

THEMATIC PUBLIC EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

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

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

THEMATIC PUBLIC EQUITY FUND

Credit Risk

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

DERIVATIVES BY CREDIT RATING	2021			2020		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
A	—	—	—	112,403	23,686	(5)
Total Derivatives	\$ —	\$ —	\$ —	\$ 112,403	\$ 23,686	\$ (5)

Liquidity Risk

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

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

	2021				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ —	\$ —	\$ —	\$ —	—
Derivative liabilities	—	—	—	—	—
	\$ —	\$ —	\$ —	\$ —	—
	2020				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 23,686	\$ 23,686	\$ —	\$ —	23,686
Derivative liabilities	(5)	(5)	—	—	(5)
	\$ 23,681	\$ 23,681	\$ —	\$ —	23,681

Interest Rate Risk

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

THEMATIC PUBLIC 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.

2021					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Euro	\$ 1,594,220	\$ —	\$ 1,594,220	25.0 %	
Hong Kong Dollar	240,838	—	240,838	3.8	
Indian Rupee	120,621	—	120,621	1.9	
Japanese Yen	208,172	—	208,172	3.3	
Mexican Peso	186,580	—	186,580	2.9	
South Korean Won	235,180	—	235,180	3.7	
Swiss Franc	70,759	—	70,759	1.1	
Taiwan Dollar	167,876	—	167,876	2.6	
United States Dollar	3,470,191	—	3,470,191	54.3	
Net Foreign Exchange Exposure	\$ 6,294,437	\$ —	\$ 6,294,437	98.6 %	

2020					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Euro	1,300,172	—	1,300,172	27.7	
Hong Kong Dollar	190,047	—	190,047	4.0	
Indian Rupee	51,195	—	51,195	1.1	
Japanese Yen	231,050	—	231,050	4.9	
Mexican Peso	132,893	2,403	135,296	2.9	
Swiss Franc	53,393	—	53,393	1.1	
Taiwan Dollar	89,552	—	89,552	1.9	
United States Dollar	2,455,605	(2,407)	2,453,198	52.3	
Net Foreign Exchange Exposure	\$ 4,503,907	\$ (4)	\$ 4,503,903	96.0 %	

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 \$62,944 (2020 - \$45,039), representing 1.0% of the Fund's net assets (2020 - 1%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

THEMATIC PUBLIC EQUITY FUND

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 1,066,115	16.9 %	\$ 824,523	17.9 %
Consumer Staples	284,901	4.5	231,137	5.0
Financials	118,162	1.9	—	—
Health Care	997,006	15.8	998,278	21.6
Industrials	743,449	11.8	357,144	7.7
Information Technology	2,068,576	32.8	1,368,697	29.7
Materials	278,320	4.4	308,881	6.7
Telecommunication Services	371,688	5.9	237,787	5.2
Utilities	356,706	5.7	271,843	5.9
Total Publicly Traded	6,284,923	99.7	4,598,290	99.7
Financials	18,786	0.3	14,411	0.3
Total Direct Private Equity	18,786	0.3	14,411	0.3
Total	\$ 6,303,709	100.0 %	\$ 4,612,701	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$626,663 (2020 - \$433,209) or 9.8% (2020 - 9.2%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

THEMATIC PUBLIC EQUITY FUND

Equity by Geographic Region

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

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Australia	—	—	1,709	—
Canada	69,795	1.1	41,133	0.9
China	240,838	3.8	193,239	4.2
France	385,970	6.1	262,711	5.7
Germany	507,661	8.1	298,776	6.5
Hong Kong	—	—	599	—
India	120,523	1.9	54,842	1.2
Italy	107,564	1.7	149,975	3.3
Japan	208,172	3.3	264,852	5.7
Korea	233,742	3.7	31,909	0.7
Mexico	185,078	2.9	135,296	2.9
Netherlands	304,944	4.8	335,982	7.3
New Zealand	—	—	831	—
Singapore	107,345	1.7	245	—
Spain	286,911	4.6	230,711	5.0
Switzerland	70,759	1.1	53,393	1.2
Taiwan	167,241	2.7	131,892	2.9
Thailand	—	—	306	—
United States	3,288,380	52.2	2,409,889	52.2
Total Publicly Traded	6,284,923	99.7	4,598,290	99.7
Canada	18,786	0.3	14,411	0.3
Total Direct Private Equity	18,786	0.3	14,411	0.3
Total	\$ 6,303,709	100.0 %	\$ 4,612,701	100.0 %

THEMATIC PUBLIC EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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
Publicly traded	\$ 6,284,923	\$ —	\$ —	\$ 6,284,923	\$ 4,464,579	\$ —	\$ —	\$ 4,464,579
Money market funds	2,290	—	—	2,290	2,295	—	—	2,295
Floating rate funds	—	—	—	—	110,105	—	—	110,105
Direct private equity investment	—	—	18,786	18,786	—	—	14,411	14,411
Total investments	6,287,213	—	18,786	6,305,999	4,576,979	—	14,411	4,591,390
Swaps, net	—	—	—	—	—	23,686	—	23,686
Forwards, net	—	—	—	—	—	(5)	—	(5)
Total derivatives	—	—	—	—	—	23,681	—	23,681
Total	\$ 6,287,213	\$ —	\$ 18,786	\$ 6,305,999	\$ 4,576,979	\$ 23,681	\$ 14,411	\$ 4,615,071

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.

During 2021 and 2020 there were no significant transfers between the three levels in the hierarchy.

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

	2021	2020
Opening balance, beginning of year	\$ 14,411	\$ 8,764
Total gains recognized in profit or loss	4,375	5,647
Purchases	—	—
Sales	—	—
Closing balance, end of year	\$ 18,786	\$ 14,411
Total unrealized gains for the period included in profit or loss related to level 3 investments held at the reporting date	\$ 4,375	\$ 5,647

THEMATIC PUBLIC EQUITY FUND

Significant Unobservable Inputs Used in Measuring Fair Value

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

2021					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct private equity investment	\$ 18,786	Market approach	Revenue Multiples	10.1	The estimated fair value would increase (decrease) if the EV multiples were higher (lower).

2020					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct private equity investment	\$ 14,411	Market approach	Revenue Multiples	10.4	The estimated fair value would increase (decrease) if the EV multiples were higher (lower).

Significant unobservable inputs are developed as follows:

Revenue multiples:

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

Effects of Unobservable Input on Fair Value Measurement

The direct private equity investment is valued based on information received from the management of the investee. Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to holders of redeemable units. The following table shows how the net assets attributable to holders of redeemable units would change if the valuation of the direct private equity investment was calculated by adjusting the investment's fair market value by 10%.

	2021		2020	
Favourable	\$	1,879	\$	1,441
Unfavourable		(1,879)		(1,441)

THEMATIC PUBLIC EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	3	\$ 9,497,081	\$ 2,290	3	\$ 6,707,768	\$ 2,295
Investee floating rate funds administered by BCI	—	—	—	1	14,553,479	110,105

GLOBAL QUANTITATIVE ESG 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
Cash		\$ 24	\$ —
Withholding tax reclaims receivable	6	1,325	1,483
Derivative assets			
Swaps		153,865	188,350
Investments		5,873,144	2,954,957
Total assets		6,028,358	3,144,790
Liabilities			
BCI cost recoveries payable	4	654	1,589
Other accounts payable		19	16
Derivative liabilities			
Swaps		17,135	16,478
		17,808	18,083
Net assets attributable to holders of redeemable units		\$ 6,010,550	\$ 3,126,707
Number of redeemable units outstanding	5	4,115,940	2,617,095
Net assets attributable to holders of redeemable units per unit		\$ 1,460	\$ 1,195
<i>Uncertainties related to COVID-19</i>	12		
<i>Subsequent event</i>	13		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

GLOBAL QUANTITATIVE ESG EQUITY 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
Interest income		\$ 24,345	\$ 42,262
Dividend income		31,890	5
Securities lending income		3,019	831
Other income	11	1,451	19
Foreign exchange gain (loss)		(1,221)	43
Change in fair value of investments and derivatives:			
Net realized gain		1,076,790	288,775
Net change in unrealized appreciation		(71,182)	102,986
Total revenue		1,065,092	434,921
Expenses			
BCI cost recoveries	4	8,500	6,476
Administrative fees		55	71
Commissions and stock exchange fees		4	3
Withholding taxes	6	(4)	(2)
Total operating expenses		8,555	6,548
Increase in net assets attributable to holders of redeemable units before distributions		1,056,537	428,373
Distributions to holders of redeemable units		(1,127,740)	(325,274)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (71,203)	\$ 103,099

GLOBAL QUANTITATIVE ESG 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	\$ 3,126,707	\$ 2,690,943
Increase (decrease) in net assets attributable to holders of redeemable units	(71,203)	103,099
Redeemable unit transactions:		
Proceeds from units issued	1,827,306	7,391
Reinvestment of distributions	1,127,740	325,274
Net increase from redeemable unit transactions	2,955,046	332,665
Balance, end of year	\$ 6,010,550	\$ 3,126,707

GLOBAL QUANTITATIVE ESG 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 (decrease) in net assets attributable to holders of redeemable units	\$ (71,203)	\$ 103,099
Adjustments for:		
Foreign exchange (gain) loss	1,221	(43)
Withholding taxes	(4)	(2)
Net realized gain from investments and derivatives	(1,076,790)	(288,775)
Net change in unrealized appreciation of investments and derivatives	71,182	(102,986)
Amortization of premiums and discounts	33,558	9,680
Non cash distributions	1,127,740	325,274
BCI cost recoveries payable	(935)	1,101
Other accounts payable	3	2
Withholding taxes paid	162	(1,481)
Net purchase of investments and derivatives	(1,910,995)	(53,486)
	(1,826,061)	(7,617)
Financing activities		
Proceeds from issuance of redeemable units	1,827,306	7,391
Net increase (decrease) in cash	1,245	(226)
Effect of exchange rate changes on cash	(1,221)	43
Cash, beginning of year	—	183
Cash, end of year	\$ 24	\$ —

GLOBAL QUANTITATIVE ESG 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
Money Market Investments				
Units in BCI Pooled Investment Portfolio Fund ST1	520	520	640	640
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio CDOR 3 Floating Rate Fund	5,872,624	5,916,336	2,954,317	2,961,989
Total Investments	\$ 5,873,144	\$ 5,916,856	\$ 2,954,957	\$ 2,962,629

GLOBAL QUANTITATIVE ESG EQUITY FUND

Derivative Assets and Liabilities

(Expressed in thousands of dollars)

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

	2021			2020		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Equity derivatives						
OTC						
Swaps	\$ 5,835,953	\$ 153,865	\$ (17,135)	\$ 2,968,412	\$ 188,350	\$ (16,478)
Total	\$ 5,835,953	\$ 153,865	\$ (17,135)	\$ 2,968,412	\$ 188,350	\$ (16,478)

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

	2021	2020
Less than 1 year	\$ 5,835,953	\$ 2,968,412
Total	\$ 5,835,953	\$ 2,968,412

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

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

GLOBAL QUANTITATIVE ESG EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The Global Quantitative ESG Equity Fund (the "Fund") provides participating clients with exposure to equity markets from across the globe and provides a greater weight to equities with high environmental, social, and governance ("ESG") ratings relative to their sector peers. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"), Total Return, 100% unhedged in Canadian dollar terms. The investment objective of the Fund is to exceed the benchmark return on a risk-adjusted basis.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

GLOBAL QUANTITATIVE ESG EQUITY FUND

Credit Risk

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

DERIVATIVES BY CREDIT RATING	2021			2020		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 3,709,371	\$ 96,412	\$ —	\$ 2,851,476	\$ 166,729	\$ —
A	2,126,582	57,453	(17,135)	116,936	21,621	(16,478)
Total Derivatives	\$ 5,835,953	\$ 153,865	\$ (17,135)	\$ 2,968,412	\$ 188,350	\$ (16,478)

Liquidity Risk

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

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

	2021					Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year		
Derivative assets	\$ 153,865	\$ 153,865	\$ —	\$ —	\$ —	153,865
Derivative liabilities	(17,135)	(17,135)	—	—	—	(17,135)
	\$ 136,730	\$ 136,730	\$ —	\$ —	\$ —	136,730

	2020					Total
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year		
Derivative assets	\$ 188,350	\$ 188,350	\$ —	\$ —	\$ —	188,350
Derivative liabilities	(16,478)	(16,478)	—	—	—	(16,478)
	\$ 171,872	\$ 171,872	\$ —	\$ —	\$ —	171,872

Interest Rate Risk

The majority of the Fund's financial assets and liabilities are non-interest bearing and the Fund's investments in BCI's floating rate funds provide a floating rate of return. 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.

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

GLOBAL QUANTITATIVE ESG EQUITY FUND

Other Price Risk

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

INDUSTRY SECTOR	2021		2020	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 714,143	12.0 %	\$ 359,567	11.4 %
Consumer Staples	380,524	6.4	217,821	6.9
Energy	195,294	3.3	95,207	3.0
Financials	741,489	12.4	378,052	12.0
Health Care	774,973	13.0	415,116	13.2
Industrials	578,482	9.7	327,794	10.4
Information Technology	1,452,926	24.1	685,920	21.8
Materials	278,850	4.7	183,120	5.8
Real Estate	159,096	2.7	78,373	2.5
Telecommunication Services	516,306	8.6	284,894	9.2
Utilities	183,855	3.1	115,935	3.8
Total	\$ 5,975,938	100.0 %	\$ 3,141,799	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$619,241 (2020 - \$341,509) or 10.3% (2020 - 10.9%) of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021 and 2020, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

GLOBAL QUANTITATIVE ESG EQUITY FUND

Equity by Geographic Region

As at December 31, the Fund's exposure through equity derivative financial instruments is concentrated in the following geographic regions.

GEOGRAPHIC REGION	2021		2020	
	Total	% of Total	Total	% of Total
Argentina	\$ 3,225	0.1 %	\$ 790	— %
Australia	130,485	2.2	64,187	2.0
Austria	22,343	0.4	2,028	0.1
Belgium	20,168	0.3	3,124	0.1
Brazil	23	—	11	—
Chile	(13)	—	13	—
China	1,193	—	982	—
Denmark	31,004	0.5	14,594	0.5
Finland	42,412	0.7	27,270	0.9
France	157,410	2.6	109,677	3.5
Germany	142,198	2.4	74,333	2.4
Hong Kong	40,916	0.7	36,408	1.2
Ireland	2,546	—	3,067	0.1
Israel	887	—	152	—
Italy	46,039	0.8	25,209	0.8
Japan	389,805	6.5	254,912	8.1
Mexico	—	—	7	—
Netherlands	115,918	1.9	68,448	2.2
New Zealand	400	—	857	—
Norway	19,651	0.3	11,351	0.4
Poland	235	—	—	—
Portugal	9,771	0.2	87	—
Russia	800	—	7	—
Saudi Arabia	22	—	—	—
Singapore	20,020	0.3	16,678	0.5
South Africa	7	—	87	—
Spain	60,730	1.0	31,753	1.0
Sweden	48,696	0.8	26,303	0.8
Switzerland	135,418	2.3	94,745	3.0
Taiwan	(160)	—	—	—
United Kingdom	267,019	4.5	139,529	4.4
United States	4,266,770	71.5	2,135,190	68.0
Total	\$ 5,975,938	100.0 %	\$ 3,141,799	100.0 %

GLOBAL QUANTITATIVE ESG EQUITY FUND

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Total
Money market funds	\$ 520	\$ —	\$ 520	\$ 640	\$ —	\$ 640
Floating rate funds	5,872,624	—	5,872,624	2,954,317	—	2,954,317
Total investments	5,873,144	—	5,873,144	2,954,957	—	2,954,957
Swaps, net	—	136,730	136,730	—	171,872	171,872
Total derivatives	—	136,730	136,730	—	171,872	171,872
Total	\$ 5,873,144	\$ 136,730	\$ 6,009,874	\$ 2,954,957	\$ 171,872	\$ 3,126,829

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.

During 2021 and 2020 there were no significant transfers between the three levels in the hierarchy.

GLOBAL QUANTITATIVE ESG EQUITY FUND

Involvement with Structured Entities

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

A structured entity is an entity that has been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. The Fund holds interests in structured entities. These structured entities are comprised of investee funds organized as unit trusts. These investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issue of units to these investors. Accordingly, the Fund's interests in these entities is reflected through the holdings of units issued by the investee funds. During 2021 and 2020, the Fund did not provide additional financial or other support to these structured entities, other than through its investment in units of these entities. Furthermore, these structured units are not subject to restrictions over operations or redemptions, other than certain investment related restrictions in accordance with maintaining their investment objectives. The tables below set out the interests held by the Fund in these structured entities:

Entity	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	1	\$ 1,596,948	\$ 520	1	\$ 1,909,999	\$ 640
Investee floating rate funds administered by BCI	1	6,185,387	5,872,624	1	3,970,059	2,954,317

INDEXED GLOBAL EQUITY FUND 2

Statement of Financial Position

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

As at December 31, 2021 (note 1)

Assets	NOTES	2021
Cash	\$	66
Dividends receivable		72
Withholding tax reclaims receivable	6	18
Investments		118,965
Total assets		119,121
Liabilities		
Other accounts payable		11
		11
Net assets attributable to holders of redeemable units	\$	119,110
Number of redeemable units outstanding	5	105.461
Net assets attributable to holders of redeemable units per unit	\$	1,129
<i>Uncertainties related to COVID-19</i>	12	
<i>Subsequent event</i>	13	

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

INDEXED GLOBAL EQUITY FUND 2**Statement of Comprehensive Income**

(Expressed in thousands of dollars)

Period ended December 31, 2021 (note 1)

Revenue	NOTES	2021
Dividend income	\$	1,405
Securities lending income		4
Other income		25
Foreign exchange loss		(56)
Change in fair value of investments:		
Net realized loss		(25,342)
Net change in unrealized appreciation		37,993
Total revenue		14,029
Expenses		
Administrative fees		14
Commissions and stock exchange fees		1
Withholding taxes	6	181
Total operating expenses		196
Increase in net assets attributable to holders of redeemable units before distributions		13,833
Distributions to holders of redeemable units		(3,183)
Increase in net assets attributable to holders of redeemable units	\$	10,650

INDEXED GLOBAL EQUITY FUND 2**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	10,650
Redeemable unit transactions:	
Proceeds from units issued	117,856
Reinvestment of distributions	3,183
Amounts paid for units redeemed	(12,579)
Net increase from redeemable unit transactions	108,460
Balance, end of period	\$ 119,110

INDEXED GLOBAL EQUITY FUND 2

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	\$ 10,650
Adjustments for:	
Foreign exchange loss	56
Dividend income	(1,405)
Withholding taxes	181
Net realized loss from investments	25,342
Net change in unrealized appreciation of investments	(37,993)
Non cash distributions	3,183
Other accounts payable	11
Dividends received	1,333
Withholding taxes paid	(199)
Net purchase of investments and derivatives	(106,314)
	(105,155)
Financing activities	
Proceeds from issuance of redeemable units	117,856
Payments on redemption of redeemable units	(12,579)
	105,277
Net increase in cash	122
Effect of exchange rate changes on cash	(56)
Cash, beginning of period	—
Cash, end of period	\$ 66

INDEXED GLOBAL EQUITY FUND 2**Schedule of Investments**

(Expressed in thousands of dollars)

As at December 31, 2021

	2021	
	Fair Value	Cost
Equity Investments		
Publicly Traded	\$ 118,965	\$ 80,972
Total Investments	\$ 118,965	\$ 80,972

INDEXED GLOBAL EQUITY FUND 2

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The Indexed Global Equity Fund 2 (the "Fund") provides clients with exposure to equity markets from across the globe at a low management fee. The Fund has the same strategy, goals, investment policies, and other features as another pooled investment portfolio, the Indexed Global Equity Fund 1. Clients that elect to participate in these Funds are allocated units in the respective Fund that optimizes the regulatory, tax, or administrative requirements applicable to each client. The Funds' benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"). The Funds' performance objective is to replicate the returns of the Index. The Funds are managed internally by BCI. BCI portfolio managers hold company, sector, and country allocations roughly in proportion to their benchmark weights and have discretion to determine the appropriate timing of implementing Index changes.

The Fund can hold the following securities:

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

The following restrictions apply to the Fund:

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

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

INDEXED GLOBAL EQUITY FUND 2

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

Currency Risk

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.

2021						
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)		Net Foreign Currency Contracts Receivable/ (Payable)		Net Exposure	% of Total Net Assets
Australian Dollar	\$	2,351	\$	—	\$ 2,351	2.0 %
British Pound Sterling		4,481		—	4,481	3.8
Danish Krone		920		—	920	0.8
Euro		11,760		—	11,760	9.9
Hong Kong Dollar		927		—	927	0.8
Israeli New Shekel		152		—	152	0.1
Japanese Yen		7,956		—	7,956	6.7
New Zealand Dollar		78		—	78	0.1
Norwegian Krone		224		—	224	0.2
Singapore Dollar		361		—	361	0.3
Swedish Krona		1,342		—	1,342	1.1
Swiss Franc		3,546		—	3,546	3.0
United States Dollar		85,002		—	85,002	71.4
Net Foreign Exchange Exposure	\$	119,100	\$	—	\$ 119,100	100.0 %

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 \$1,191, 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.

INDEXED GLOBAL EQUITY FUND 2

Other Price Risk

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

INDUSTRY SECTOR	2021	
	Total	% of Total
Consumer Discretionary	\$ 14,945	12.6 %
Consumer Staples	8,322	7.0
Energy	3,281	2.8
Financials	14,656	12.3
Health Care	15,520	13.0
Industrials	12,120	10.2
Information Technology	28,672	24.0
Materials	4,715	4.0
Real Estate	3,395	2.9
Telecommunication Services	10,122	8.5
Utilities	3,208	2.7
Other	9	—
Total	\$ 118,965	100.0 %

As at December 31, had the respective benchmark of the Fund increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased, respectively by approximately \$12,193 10.2% of net assets.

This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at December 31, 2021, and assuming all other variables are held constant. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

INDEXED GLOBAL EQUITY FUND 2

Equity by Geographic Region

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

GEOGRAPHIC REGION	2021	
	Total	% of Total
Australia	\$ 2,348	2.0 %
Austria	81	0.1
Belgium	302	0.3
Denmark	920	0.8
Finland	349	0.3
France	3,963	3.3
Germany	3,011	2.5
Hong Kong	968	0.8
Ireland	236	0.2
Israel	255	0.2
Italy	845	0.7
Japan	7,947	6.7
Netherlands	2,164	1.8
New Zealand	72	0.1
Norway	224	0.2
Qatar	66	0.1
Singapore	411	0.3
Spain	759	0.6
Sweden	1,342	1.1
Switzerland	3,546	3.0
United Kingdom	4,469	3.8
United States	84,687	71.1
Total	\$ 118,965	100.0 %

INDEXED GLOBAL EQUITY FUND 2

Fair Value Measurement Discussion

(Expressed in thousands of dollars)

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

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

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

	2021		Total
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	
Publicly traded	\$ 118,965	\$ —	\$ 118,965
Total	\$ 118,965	\$ —	\$ 118,965

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.

During 2021 there were no significant transfers between the three levels in the hierarchy.

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
Active Canadian Equity Fund	July 26, 1990
Active Canadian Small Cap Equity Fund	March 20, 2008
Canadian Quantitative Active Equity Fund	November 27, 2002
Indexed Canadian Equity Fund	December 12, 1989
Active U.S. Small Cap Equity Fund	March 13, 2008
Active Global Equity Fund	June 19, 2009
Global Quantitative Active Equity Fund	August 23, 2011
Indexed Global Equity Fund 1	December 7, 2011
Active Emerging Markets Equity Fund	March 31, 2008
Indexed Emerging Markets Equity Fund	July 31, 2013
Thematic Public Equity Fund	December 31, 2012
Global Quantitative ESG Equity Fund	November 5, 2019
Indexed Global Equity Fund 2	April 12, 2021

The Indexed Global Equity Fund 2 was established in 2021, therefore no comparative information has been presented in the financial statements.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS"). These financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on April 11, 2022.

(b) Accounting for investments

The Funds qualify as investment entities as they meet the following definition of an investment entity outlined in IFRS 10, *Consolidated Financial Statements (IFRS 10)*:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services.
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

(c) Basis of measurement

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

(d) Functional and presentation currency

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

(e) Use of estimates and judgment

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

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

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, derivative financial instruments, and redeemable units are classified as FVTPL.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The 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, dividend receivable, interest receivable, other receivables, withholding tax claims receivable, security lending revenue 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 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 open-ended Funds throughout the year where the number of units available for issue was unlimited and the proportion of units issued or redeemed by each client on a particular valuation date depended on changes to their desired asset allocation.

(d) Foreign exchange

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

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

(f) Securities lending

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

(g) Income taxes

The Funds 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.

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 the new standards 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
- Onerous contracts – cost of fulfilling a contract (amendments to IAS 37)
- 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, 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.

Third party costs that are attributable to a specific Fund are charged to that Fund. Other costs initially borne by BCI are recovered from the various Funds on a cost recovery basis. BCI cost recoveries and corresponding payable are disclosed in each Fund's Statement of Comprehensive Income and Statement of Financial Position, respectively.

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

5. REDEEMABLE UNITS

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

	ACTIVE CANADIAN EQUITY FUND		ACTIVE CANADIAN SMALL CAP EQUITY FUND		CANADIAN QUANTITATIVE ACTIVE EQUITY FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	388.276	361.177	706.958	784.090	214.128	214.128
Issued for cash	61.785	51.093	97.305	68.790	—	—
Issued on reinvestment of distributions	112.915	22.175	67.650	10.330	16.201	5.102
Consolidation of units	(112.915)	(22.175)	(67.650)	(10.330)	(16.201)	(5.102)
Redeemed	(250.889)	(23.994)	(275.983)	(145.922)	—	—
Outstanding, end of period	199.172	388.276	528.280	706.958	214.128	214.128

	INDEXED CANADIAN EQUITY FUND		ACTIVE U.S. SMALL CAP EQUITY FUND		ACTIVE GLOBAL EQUITY FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	397.914	502.268	542.463	454.564	1,042.290	922.946
Issued for cash	246.140	115.796	30.828	121.769	111.089	197.844
Issued on reinvestment of distributions	91.040	10.518	109.124	13.681	309.181	24.781
Consolidation of units	(91.040)	(10.518)	(109.124)	(13.681)	(309.181)	(24.781)
Redeemed	(293.329)	(220.150)	(173.148)	(33.870)	(572.675)	(78.500)
Outstanding, end of period	350.725	397.914	400.143	542.463	580.704	1,042.290

	GLOBAL QUANTITATIVE ACTIVE EQUITY FUND		INDEXED GLOBAL EQUITY FUND 1		ACTIVE EMERGING MARKETS EQUITY FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	312.402	1,184.327	3,494.764	4,918.283	3,164.161	2,467.598
Issued for cash	—	—	1,044.029	1,428.406	309.634	1,039.792
Issued on reinvestment of distributions	32.486	73.562	488.011	559.911	334.501	228.757
Consolidation of units	(32.486)	(73.562)	(488.011)	(559.911)	(334.501)	(228.757)
Redeemed	(237.256)	(871.925)	(2,585.883)	(2,851.925)	(301.475)	(343.229)
Outstanding, end of period	75.146	312.402	1,952.910	3,494.764	3,172.320	3,164.161

	INDEXED EMERGING MARKETS EQUITY FUND		THEMATIC PUBLIC EQUITY FUND		GLOBAL QUANTITATIVE ESG EQUITY FUND	
	2021	2020	2021	2020	2021	2020
Outstanding, beginning of period	4,106.236	5,954.488	1,551.659	1,091.230	2,617.095	2,609.517
Issued for cash	1,076.153	315.944	319.554	460.429	1,498.845	7.578
Issued on reinvestment of distributions	227.977	414.632	227.252	128.317	849.610	292.223
Consolidation of units	(227.977)	(414.632)	(227.252)	(128.317)	(849.610)	(292.223)
Redeemed	(1,061.099)	(2,164.196)	(2.263)	—	—	—
Outstanding, end of period	4,121.290	4,106.236	1,868.950	1,551.659	4,115.940	2,617.095

	INDEXED GLOBAL EQUITY FUND 2
	2021
Outstanding, beginning of period	—
Issued for cash	117,356
Issued on reinvestment of distributions	2,984
Consolidation of units	(2,984)
Redeemed	(11,895)
Outstanding, end of period	105,461

6. WITHHOLDING TAX EXPENSE

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

Pooled Investment Portfolios	2021	2020
Active Global Equity Fund	11.2 %	6.1 %
Indexed Global Equity Fund 1	1.1	2.0
Active Emerging Markets Equity Fund	9.3	11.1
Indexed Emerging Markets Equity Fund	5.8	10.8
Thematic Public Equity Fund	10.4	3.3
Indexed Global Equity Fund 2	12.9	—

7. FINANCIAL RISK MANAGEMENT

(a) Risk management framework

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

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

(b) Credit risk

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

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

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

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

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

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

(c) Liquidity risk

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

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

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

(d) Market risk

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

(i) Interest rate risk

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

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

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

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 bonds 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 RRR 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 currencies to which the Funds have exposure to has been completed. The Funds were not significantly impacted by the IBOR reform.

(ii) Currency risk

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

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

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

(iii) Other price risk

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

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

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

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.

(c) Valuation framework

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

- verifying that the broker or pricing service is approved by the Funds for use in pricing the relevant type of financial instrument;

- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

(d) Financial instruments not measured at fair value

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

9 TAXES

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income. As at December 31, 2021 and 2020, there are no Funds that have any net capital losses available to be carried forward, nor any non-capital losses.

10 SECURITIES SUBJECT TO LENDING ARRANGEMENTS

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

Pooled Investment Portfolios	Fair Value of Securities on Loan		Percentage of securities on loan	
	2021	2020	2021	2020
Active Canadian Equity Fund	\$ 52,756	\$ 276,646	1.4 %	4.8 %
Active Canadian Small Cap Equity Fund	134,370	131,729	8.8	8.0
Canadian Quantitative Active Equity Fund	253,507	68,577	21.4	7.3
Indexed Canadian Equity Fund	269,811	197,910	26.1	5.5
Active U.S. Small Cap Equity Fund	595,439	783,606	24.0	26.7
Active Global Equity Fund	209,286	314,936	8.2	8.3
Indexed Global Equity Fund 1	223,030	201,694	12.0	11.4
Active Emerging Markets Equity Fund	244,542	319,853	3.6	4.9
Indexed Emerging Markets Equity Fund	183,866	234,308	5.2	6.1
Thematic Public Equity Fund	206,930	457,755	3.3	10.2
Indexed Global Equity Fund 2	13,951	—	11.7	—

11. 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 from the years ended December 31, 2017 to December 31, 2020, with no offsetting receivable in respect of a rebate, was reversed and the resulting recovery was recorded in other income. This recovery represents a non-recurring income for the year ended December 31, 2021.

The RTA recovery for the Fund with tax losses is as follows:

Pooled Investment Portfolios	RTA recovery
Active Canadian Equity Fund	\$ 6,951
Active Canadian Small Cap Equity Fund	2,973
Canadian Quantitative Active Equity Fund	5,254
Indexed Canadian Equity Fund	3,598
Active U.S. Small Cap Equity Fund	5,994
Active Global Equity Fund	9,931
Global Quantitative Active Equity Fund	2,365
Indexed Global Equity Fund 1	4,519
Active Emerging Markets Equity Fund	40,746
Indexed Emerging Markets Equity Fund	1,781
Thematic Public Equity Fund	2,282
Global Quantitative ESG Equity Fund	1,469

12. 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 duration and impact of COVID-19 is unknown at this time; as such, it is not reasonably possible to evaluate the impact of the pandemic on the Funds in future periods.

13. SUBSEQUENT EVENT

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, the price and liquidity of securities of issuers connected to Russia have declined significantly resulting in commensurate declines in the net asset value of the Funds. The duration and extent of the impact of this situation, including on the Funds' performance, remain unclear at this time.

The following Funds held Russian securities, or had exposure to Russian securities through derivative instruments, as at December 31, 2021:

Pooled Investment Portfolios	Russian securities exposure at December 31, 2021
Global Quantitative Active Equity Fund	2,931
Indexed Global Equity Fund 1	1,223
Active Emerging Markets Equity Fund	374,033
Indexed Emerging Markets Equity Fund	279,291
Global Quantitative ESG Equity Fund	800



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