



DECEMBER 2023

Public Equity Pooled Fund Financial Statements

BCI AUDIT COMMITTEE | April 10, 2024

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION

PUBLIC EQUITY - POOLED INVESTMENT PORTFOLIOS

GROUP OF FUNDS

Active Canadian Equity Fund
Active Canadian Small Cap 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
Indexed Global Equity Fund 2
Active Emerging Markets Equity Fund
Indexed Emerging Markets Equity Fund
Thematic Public Equity Fund
Global Quantitative ESG Equity Fund
Indexed EAFE Equity Fund

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023:

Active Canadian Equity Fund	Indexed Global Equity Fund 2
Active Canadian Small Cap Equity Fund	Active Emerging Markets Equity Fund
Indexed Canadian Equity Fund	Indexed Emerging Markets Equity Fund
Active U.S. Small Cap Equity Fund	Thematic Public Equity Fund
Active Global Equity Fund	Global Quantitative ESG Equity Fund
Global Quantitative Active Equity Fund	Indexed EAFE 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 IFRS Accounting Standards. The Material Accounting Policy Information 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"). 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 System and Organization Controls Report for the Investment System of British Columbia Investment Management Corporation, and reviewing the annual audited financial statements of the Funds. The Committee reviews the recommendations of the internal and external auditors with respect to internal controls and the responses of management to those recommendations, and also meets with management and the internal and external auditors to review annual audit plans.

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

BCI's external auditors, KPMG LLP, have full and unrestricted access to the Audit Committee and BCI management. KPMG LLP discusses with management and the 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] Rechelle Effendy

Rechelle Effendy

A/Senior Vice President, Finance & CFO

Victoria, British Columbia
April 16, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the unitholders of following Public Equity – Pooled Investment Portfolios:

Active Canadian Equity Fund
Active Canadian Small Cap 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
Indexed Global Equity Fund 2
Active Emerging Markets Equity Fund
Indexed Emerging Markets Equity Fund
Thematic Public Equity Fund
Global Quantitative ESG Equity Fund
Indexed EAFE Equity Fund
(collectively, the “Funds”)

Opinion

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

- the statements of financial position as at December 31, 2023
- the statements of comprehensive income (loss) for the year then ended
- the statements of changes in net assets attributable to holders of redeemable units for the year then ended
- the statements of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information (hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2023, and their financial performance and their cash flows for the year then ended in accordance with IFRS Accounting Standards.



Basis for Opinion

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

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

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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



We also:

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

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

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

Chartered Professional Accountants

Vancouver, Canada
April 16, 2024

ACTIVE CANADIAN EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 356	\$ —
Receivable from sale of investments		163,391	95,069
Dividends receivable		7,800	5,636
Investments		3,949,213	3,279,336
Total assets		4,120,760	3,380,041
Liabilities			
Payable for purchase of investments		119,168	94,690
BCI cost recoveries payable	4	624	480
Other accounts payable		66	59
		119,858	95,229
Net assets attributable to holders of redeemable units		\$ 4,000,902	\$ 3,284,812
Number of redeemable units outstanding	5	190.980	181.642
Net assets attributable to holders of redeemable units per unit		\$ 20,949	\$ 18,084

[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, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 8,230	\$ 2,770
Dividend income		96,258	86,010
Securities lending income		456	227
Other income		55	—
Foreign exchange loss		(27)	(21)
Change in fair value of investments:			
Net realized gain		283,451	229,699
Net change in unrealized appreciation		171,179	(539,593)
Total revenue (loss)		559,602	(220,908)
Expenses			
BCI cost recoveries	4	7,125	5,336
Administrative fees		76	66
Commissions and stock exchange fees		13,178	7,300
Total operating expenses		20,379	12,702
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		539,223	(233,610)
Distributions to holders of redeemable units		(408,981)	(320,943)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 130,242	\$ (554,553)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 3,284,812	\$ 3,828,422
Increase (decrease) in net assets attributable to holders of redeemable units	130,242	(554,553)
Redeemable unit transactions:		
Proceeds from units issued	525,300	1,734,870
Reinvestment of distributions	408,981	320,943
Amounts paid for units redeemed	(348,433)	(2,044,870)
Net increase from redeemable unit transactions	585,848	10,943
Balance, end of year	\$ 4,000,902	\$ 3,284,812

See accompanying Notes to the Financial Statements

ACTIVE CANADIAN EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 130,242	\$ (554,553)
Adjustments for:		
Foreign exchange loss	27	21
Interest income	(8,230)	(2,770)
Dividend income	(96,258)	(86,010)
Net realized gain from investments	(283,451)	(229,699)
Net change in unrealized appreciation of investments	(171,179)	539,593
Amortization of premiums and discounts	(638)	(134)
Non cash distributions	408,981	320,943
BCI cost recoveries payable	144	187
Other accounts payable	7	10
Interest received	8,230	2,770
Dividends received	94,094	89,778
Net sale (purchase) of investments	(258,453)	229,885
	(176,484)	310,021
Financing activities		
Proceeds from issuance of redeemable units	525,300	1,734,870
Payments on redemption of redeemable units	(348,433)	(2,044,870)
	176,867	(310,000)
Net increase in cash	383	21
Effect of exchange rate changes on cash	(27)	(21)
Cash, beginning of year	—	—
Cash, end of year	\$ 356	\$ —

ACTIVE CANADIAN EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 3,702,766	\$ 3,478,090	\$ 3,123,835	\$ 3,070,209
Exchange Traded Funds	—	—	3,800	3,929
	3,702,766	3,478,090	3,127,635	3,074,138
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	246,447	246,447	151,701	151,701
Total Investments	\$ 3,949,213	\$ 3,724,537	\$ 3,279,336	\$ 3,225,839

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 over-the-counter 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.

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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 156,021	4.2 %	\$ 111,634	3.6 %
Consumer Staples	195,715	5.3	89,897	2.9
Energy	407,592	11.0	224,731	7.2
Financials	1,166,272	31.5	947,310	30.3
Health Care	—	—	20,417	0.7
Industrials	582,695	15.7	660,624	21.1
Information Technology	396,432	10.7	225,113	7.2
Materials	276,378	7.5	235,425	7.5
Real Estate	74,121	2.0	30,300	1.0
Telecommunication Services	285,847	7.7	106,368	3.4
Utilities	161,693	4.4	472,016	15.1
Total	\$ 3,702,766	100.0 %	\$ 3,123,835	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 \$324,073 (2022 - \$265,920) or 8.1% (2022 - 8.1%) 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, 2023 and 2022, 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 analyzes 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.

	2023			2022		
	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	\$ 3,702,766	\$ —	\$ 3,702,766	\$ 3,123,835	\$ —	\$ 3,123,835
Exchange traded funds	—	—	—	3,800	—	3,800
Money market funds	246,447	—	246,447	151,701	—	151,701
Total	\$ 3,949,213	\$ —	\$ 3,949,213	\$ 3,279,336	\$ —	\$ 3,279,336

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 2023 and 2022 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 2023 and 2022, 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	2023			2022		
	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	\$ 2,679,051	\$ 246,447	1	\$ 1,910,876	\$ 151,701
Investee funds administered by external manager	—	—	—	1	8,909,400	3,800

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Receivable from sale of investments		\$ 4,315	\$ 2,451
Dividends receivable		3,286	2,164
Investments		797,110	885,481
Total assets		804,711	890,096
Liabilities			
Payable for purchase of investments		1,065	5,118
BCI cost recoveries payable	4	208	179
Other accounts payable		30	22
		1,303	5,319
Net assets attributable to holders of redeemable units		\$ 803,408	\$ 884,777
Number of redeemable units outstanding	5	304,359	342,738
Net assets attributable to holders of redeemable units per unit		\$ 2,640	\$ 2,581

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 470	\$ 487
Dividend income		19,175	18,959
Securities lending income		137	92
Other income		4	—
Foreign exchange loss		(7)	(6)
Change in fair value of investments:			
Net realized gain (loss)		(693)	182,068
Net change in unrealized appreciation		3,279	(370,971)
Total revenue (loss)		22,365	(169,371)
Expenses			
BCI cost recoveries	4	2,538	2,809
Administrative fees		40	33
Commissions and stock exchange fees		1,185	1,626
Total operating expenses		3,763	4,468
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		18,602	(173,839)
Distributions to holders of redeemable units		(16,078)	(202,286)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 2,524	\$ (376,125)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 884,777	\$ 1,545,845
Increase (decrease) in net assets attributable to holders of redeemable units	2,524	(376,125)
Redeemable unit transactions:		
Proceeds from units issued	33,530	295,779
Reinvestment of distributions	16,078	202,286
Amounts paid for units redeemed	(133,501)	(783,008)
Net decrease from redeemable unit transactions	(83,893)	(284,943)
Balance, end of year	\$ 803,408	\$ 884,777

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 2,524	\$ (376,125)
Adjustments for:		
Foreign exchange loss	7	6
Interest income	(470)	(487)
Dividend income	(19,175)	(18,959)
Net realized (gain) loss from investments	693	(182,068)
Net change in unrealized appreciation of investments	(3,279)	370,971
Amortization of premiums and discounts	(40)	(24)
Non cash distributions	16,078	202,286
BCI cost recoveries payable	29	(75)
Other accounts payable	8	(8)
Interest received	470	487
Dividends received	18,053	19,427
Net sale of investments	85,080	471,804
	99,978	487,235
Financing activities		
Proceeds from issuance of redeemable units	33,530	295,779
Payments on redemption of redeemable units	(133,501)	(783,008)
	(99,971)	(487,229)
Net increase in cash	7	6
Effect of exchange rate changes on cash	(7)	(6)
Cash, beginning and end of year	\$ —	\$ —

ACTIVE CANADIAN SMALL CAP EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 793,598	\$ 695,085	\$ 872,177	\$ 776,943
Money Market Investments				
Units in BCI Pooled Investment Portfolio Fund ST1	3,512	3,512	13,304	13,304
Total Investments	\$ 797,110	\$ 698,597	\$ 885,481	\$ 790,247

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 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 over-the-counter 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 discretion with respect to the sale of any affected security or the termination of any affected derivative transaction.

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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 29,840	3.8 %	\$ 78,738	9.0 %
Consumer Staples	35,786	4.5	64,210	7.4
Energy	154,072	19.4	164,969	18.9
Financials	87,693	11.1	119,945	13.8
Health Care	64,947	8.2	28,820	3.3
Industrials	149,609	18.9	112,674	12.9
Information Technology	37,655	4.7	82,116	9.4
Materials	156,078	19.6	96,178	11.0
Real Estate	77,918	9.8	122,301	14.0
Telecommunication Services	—	—	2,226	0.3
Total	\$ 793,598	100.0 %	\$ 872,177	100.0 %

As at December 31, 2023, 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 \$66,683 (2022 - \$63,216) or 8.3% (2022 - 7.1%) 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, 2023 and 2022, 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 analyzes 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.

	2023			2022		
	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	\$ 793,598	\$ —	\$ 793,598	\$ 872,177	\$ —	\$ 872,177
Money market funds	3,512	—	3,512	13,304	—	13,304
Total	\$ 797,110	\$ —	\$ 797,110	\$ 885,481	\$ —	\$ 885,481

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 2023 and 2022 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 2023 and 2022, 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	2023			2022		
	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	\$ 2,679,051	\$ 3,512	1	\$ 1,910,876	\$ 13,304

INDEXED CANADIAN EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 18,877	\$ 17,752
Receivable from issuance of units		9,500	—
Dividends receivable		1,276	676
Derivative assets:			
Swaps		74,224	8,490
Investments		2,354,820	1,190,666
Total assets		2,458,697	1,217,584
Liabilities			
Payable for redemption of units		9,500	—
BCI cost recoveries payable	4	105	29
Other accounts payable		57	59
Derivative liabilities:			
Swaps		—	17,903
		9,662	17,991
Net assets attributable to holders of redeemable units		\$ 2,449,035	\$ 1,199,593
Number of redeemable units outstanding	5	187.155	102.922
Net assets attributable to holders of redeemable units per unit		\$ 13,086	\$ 11,655

[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, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 56,739	\$ 22,123
Dividend income		10,514	19,100
Securities lending income		1,002	1,189
Other income		1,454	246
Foreign exchange gain (loss)		14	(235)
Change in fair value of investments and derivatives:			
Net realized gain		23,191	17,940
Net change in unrealized appreciation		106,869	(119,623)
Total revenue (loss)		199,783	(59,260)
Expenses			
BCI cost recoveries	4	579	1,036
Administrative fees		56	62
Commissions and stock exchange fees		18	10
Total operating expenses		653	1,108
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		199,130	(60,368)
Distributions to holders of redeemable units		(87,034)	(48,456)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 112,096	\$ (108,824)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 1,199,593	\$ 4,323,812
Increase (decrease) in net assets attributable to holders of redeemable units	112,096	(108,824)
Redeemable unit transactions:		
Proceeds from units issued	1,350,238	534,530
Reinvestment of distributions	87,034	48,456
Amounts paid for units redeemed	(299,926)	(3,598,381)
Net increase (decrease) from redeemable unit transactions	1,137,346	(3,015,395)
Balance, end of year	\$ 2,449,035	\$ 1,199,593

INDEXED CANADIAN EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 112,096	\$ (108,824)
Adjustments for:		
Foreign exchange (gain) loss	(14)	235
Interest income	(56,739)	(22,123)
Dividend income	(10,514)	(19,100)
Net realized gain from investments and derivatives	(23,191)	(17,940)
Net change in unrealized appreciation of investments and derivatives	(106,869)	119,623
Amortization of premiums and discounts	(14,380)	1,548
Non cash distributions	87,034	48,456
BCI cost recoveries payable	76	(202)
Other accounts payable	(2)	9
Interest received	56,739	22,123
Dividends received	9,914	20,458
Net sale (purchase) of investments and derivatives	(1,103,351)	3,006,377
	(1,049,201)	3,050,640
Financing activities		
Proceeds from issuance of redeemable units	1,340,738	534,530
Payments on redemption of redeemable units	(290,426)	(3,598,381)
	1,050,312	(3,063,851)
Net increase (decrease) in cash	1,111	(13,211)
Effect of exchange rate changes on cash	14	(235)
Cash, beginning of year	17,752	31,198
Cash, end of year	\$ 18,877	\$ 17,752

INDEXED CANADIAN EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 493,858	\$ 465,647	\$ 250,330	\$ 246,450
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 1 Floating Rate Fund	23,567	24,280	940,336	939,470
CORRA 1 Floating Rate Fund	1,837,395	1,836,915	—	—
	1,860,962	1,861,195	940,336	939,470
Total Investments	\$ 2,354,820	\$ 2,326,842	\$ 1,190,666	\$ 1,185,920

INDEXED CANADIAN EQUITY FUND

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023			2022		
	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	1,852,195	74,224	—	936,007	8,490	(17,903)
Total	\$ 1,852,210	\$ 74,224	\$ —	\$ 936,022	\$ 8,490	\$ (17,903)

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

	2023		2022	
Less than 1 year	\$	1,852,210	\$	936,022
Total	\$	1,852,210	\$	936,022

- (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 and in realized gains and losses on the Statement of Comprehensive Income.

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 over-the-counter 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.

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	2023			2022		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 1,273,640	\$ 61,643	\$ —	\$ 867,883	\$ 8,490	\$ (15,131)
A	578,555	12,581	—	68,124	—	(2,772)
Total Derivatives	\$ 1,852,195	\$ 74,224	\$ —	\$ 936,007	\$ 8,490	\$ (17,903)

INDEXED CANADIAN EQUITY FUND

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		2023	2022
Collateral received	\$	74,225	\$ 3,199
Collateral pledged		1,100	1,500

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:

2023					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 74,224	\$ 74,224	\$ —	\$ —	74,224
Derivative liabilities	—	—	—	—	—
	\$ 74,224	\$ 74,224	\$ —	\$ —	74,224

2022					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 8,490	\$ 8,490	\$ —	\$ —	8,490
Derivative liabilities	(17,903)	(17,903)	—	—	(17,903)
	\$ (9,413)	\$ (9,413)	\$ —	\$ —	(9,413)

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 Fund's assets and liabilities are denominated in Canadian dollars.

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:

INDEXED CANADIAN EQUITY FUND

INDUSTRY SECTOR	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 87,686	3.6 %	\$ 43,162	3.7 %
Consumer Staples	101,397	4.2	49,847	4.2
Energy	414,793	17.1	213,058	18.0
Financials	760,239	31.3	363,106	30.8
Health Care	7,362	0.3	4,394	0.4
Industrials	332,624	13.7	156,960	13.3
Information Technology	210,045	8.7	66,842	5.7
Materials	267,744	11.0	142,035	12.0
Real Estate	58,040	2.4	30,877	2.6
Telecommunication Services	89,927	3.7	57,582	4.9
Utilities	97,430	4.0	52,239	4.4
Total	\$ 2,427,287	100.0 %	\$ 1,180,102	100.0 %

As at December 31, 2023, 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 \$244,904 (2022 - \$120,174) or 10.0% (2022 - 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, 2023 and 2022, 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	2023		2022	
	Total	% of Total	Total	% of Total
Brazil	\$ 23,498	1.0 %	\$ 9,874	0.8 %
Canada	2,362,565	97.2	1,150,894	97.5
United States	41,224	1.8	19,334	1.7
Total	2,427,287	100.0 %	1,180,102	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 analyzes 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.

	2023			2022		
	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	\$ 493,858	\$ —	\$ 493,858	\$ 250,330	\$ —	\$ 250,330
Floating rate funds	1,860,962	—	1,860,962	940,336	—	940,336
Total investments	2,354,820	—	2,354,820	1,190,666	—	1,190,666
Swaps, net	—	74,224	74,224	—	(9,413)	(9,413)
Total	\$ 2,354,820	\$ 74,224	\$ 2,429,044	\$ 1,190,666	\$ (9,413)	\$ 1,181,253

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 2023 and 2022 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 2023 and 2022, 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	2023			2022		
	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	2	\$ 11,482,007	\$ 1,860,962	1	\$ 19,146,224	\$ 940,336

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 13,608	\$ 6,620
Receivable from sale of investments		358	496
Dividends receivable		889	1,123
Investments		1,700,379	1,957,804
Total assets		1,715,234	1,966,043
Liabilities			
Payable for purchase of investments		882	—
BCI cost recoveries payable	4	256	228
External management fees payable		1,624	1,949
Other accounts payable		44	47
		2,806	2,224
Net assets attributable to holders of redeemable units		\$ 1,712,428	\$ 1,963,819
Number of redeemable units outstanding	5	282.781	400.362
Net assets attributable to holders of redeemable units per unit		\$ 6,056	\$ 4,905

[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, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 121	\$ 174
Dividend income		15,885	15,546
Securities lending income		1,318	1,042
Other income		568	115
Foreign exchange gain (loss)		(1,939)	296
Change in fair value of investments:			
Net realized gain (loss)		89,606	(59,838)
Net change in unrealized appreciation		273,773	(516,920)
Total revenue (loss)		379,332	(559,585)
Expenses			
BCI cost recoveries	4	3,056	2,748
External management fees		7,414	7,729
Administrative fees		44	53
Commissions and stock exchange fees		805	741
Total operating expenses		11,319	11,271
 Increase (decrease) in net assets attributable to holders of redeemable units before distributions		 368,013	 (570,856)
 Distributions to holders of redeemable units		 (41,224)	 (6,732)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 326,789	\$ (577,588)

See accompanying Notes to the Financial Statements

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 1,963,819	\$ 2,533,567
Increase (decrease) in net assets attributable to holders of redeemable units	326,789	(577,588)
Redeemable unit transactions:		
Proceeds from units issued	930,775	276,108
Reinvestment of distributions	41,224	6,732
Amounts paid for units redeemed	(1,550,179)	(275,000)
Net increase (decrease) from redeemable unit transactions	(578,180)	7,840
Balance, end of year	\$ 1,712,428	\$ 1,963,819

ACTIVE U.S. SMALL CAP EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 326,789	\$ (577,588)
Adjustments for:		
Foreign exchange (gain) loss	1,939	(296)
Interest income	(121)	(174)
Dividend income	(15,885)	(15,546)
Net realized (gain) loss from investments	(89,606)	59,838
Net change in unrealized appreciation of investments	(273,773)	516,920
Amortization of premiums and discounts	(12)	—
Non cash distributions	41,224	6,732
BCI cost recoveries payable	28	32
Other accounts payable	(3)	10
Interest received	121	174
Dividends received	16,119	15,620
External management fees payable	(325)	(606)
Net sale (purchase) of investments	621,836	(39,245)
	628,331	(34,129)
Financing activities		
Proceeds from issuance of redeemable units	930,775	276,108
Payments on redemption of redeemable units	(1,550,179)	(275,000)
	(619,404)	1,108
Net increase (decrease) in cash	8,927	(33,021)
Effect of exchange rate changes on cash	(1,939)	296
Cash, beginning of year	6,620	39,345
Cash, end of year	\$ 13,608	\$ 6,620

ACTIVE U.S. SMALL CAP EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 1,605,389	\$ 1,254,795	\$ 1,839,649	\$ 1,753,797
Exchange Traded Funds	92,427	85,834	104,177	107,035
	1,697,816	1,340,629	1,943,826	1,860,832
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	44	44	178	178
Fund ST3	2,519	2,516	13,800	13,377
	2,563	2,560	13,978	13,555
Total Investments	\$ 1,700,379	\$ 1,343,189	\$ 1,957,804	\$ 1,874,387

See accompanying Notes to the Financial Statements

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 within 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 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 and/or U.S. Dollar Money Market Funds; 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 over-the-counter 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

At December 31, 2023, 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.

2023					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
United States Dollar	\$ 1,712,434	\$ —	\$ 1,712,434	100.0	%
Net Foreign Exchange Exposure	\$ 1,712,434	\$ —	\$ 1,712,434	100.0	%

2022					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
United States Dollar	\$ 1,963,792	\$ —	\$ 1,963,792	100.0	%
Net Foreign Exchange Exposure	\$ 1,963,792	\$ —	\$ 1,963,792	100.0	%

As at December 31, 2023, 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 \$17,124 (2022 - \$19,638), representing 1.0% of the Fund's net assets (2022 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

ACTIVE U.S. SMALL CAP 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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 224,697	14.0 %	\$ 249,486	13.6 %
Consumer Staples	95,194	5.9	109,004	5.9
Energy	32,814	2.0	37,699	2.0
Financials	283,859	17.7	321,611	17.5
Health Care	186,733	11.6	227,728	12.4
Industrials	328,407	20.5	386,374	21.0
Information Technology	318,233	19.8	329,464	17.9
Materials	75,189	4.7	100,253	5.4
Real Estate	43,644	2.7	43,584	2.4
Telecommunication Services	10,738	0.7	15,993	0.9
Utilities	5,881	0.4	18,453	1.0
Total	\$ 1,605,389	100.0 %	\$ 1,839,649	100.0 %

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 \$9,243 (2022 - \$10,418), or 0.5% (2022 - 0.5%) of net assets.

As at December 31, 2023, 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 \$154,119 (2022 - \$184,621) or 9.0% (2022 - 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, 2023 and 2022, 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 are concentrated in the following geographic regions:

GEOGRAPHIC REGION	2023		2022	
	Total	% of Total	Total	% of Total
Argentina	\$ 32,262	2.0 %	\$ 24,269	1.3 %
Canada	10,937	0.7	—	0.0
Israel	42,725	2.7	34,969	1.9
United States	1,519,465	94.6	1,780,411	96.8
Total	\$ 1,605,389	100.0 %	\$ 1,839,649	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 analyzes 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.

	2023			2022		
	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	\$ 1,605,389	\$ —	\$ 1,605,389	\$ 1,839,649	\$ —	\$ 1,839,649
Exchange traded funds	92,427	—	92,427	104,177	—	104,177
Money market funds	2,563	—	2,563	13,978	—	13,978
Total	\$ 1,700,379	\$ —	\$ 1,700,379	\$ 1,957,804	\$ —	\$ 1,957,804

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 2023 and 2022 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 2023 and 2022, 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	2023			2022		
	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	\$ 5,517,918	\$ 2,563	2	\$ 5,258,947	\$ 13,978
Investee funds administered by external manager	4	104,453,047	92,427	3	60,261,350	104,177

ACTIVE GLOBAL EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 607	\$ 43,561
Receivable from sale of investments		4,154	—
Dividends receivable		909	799
Withholding tax reclaims receivable	6	4,601	4,816
Investments		1,975,799	2,175,393
Total assets		1,986,070	2,224,569
Liabilities			
BCI cost recoveries payable	4	402	229
External management fees payable		—	1,559
Other accounts payable		201	240
		603	2,028
Net assets attributable to holders of redeemable units		\$ 1,985,467	\$ 2,222,541
Number of redeemable units outstanding	5	441.557	581.604
Net assets attributable to holders of redeemable units per unit		\$ 4,497	\$ 3,821

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

ACTIVE GLOBAL EQUITY FUND

Statement of Comprehensive Loss

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 3,121	\$ 18
Dividend income		22,537	28,129
Securities lending income		221	345
Other income		663	417
Foreign exchange gain (loss)		(882)	2,261
Change in fair value of investments:			
Net realized gain		744,355	41,114
Net change in unrealized appreciation		(433,310)	(425,818)
Total revenue (loss)		336,705	(353,534)
Expenses			
BCI cost recoveries	4	4,101	4,033
External management fees		814	6,245
Administrative fees		120	201
Commissions and stock exchange fees		1,871	363
Withholding taxes	6	2,097	1,755
Total operating expenses		9,003	12,597
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		327,702	(366,131)
Distributions to holders of redeemable units		(761,164)	(60,589)
Decrease in net assets attributable to holders of redeemable units		\$ (433,462)	\$ (426,720)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 2,222,541	\$ 2,585,263
Decrease in net assets attributable to holders of redeemable units	(433,462)	(426,720)
Redeemable unit transactions:		
Proceeds from units issued	1,311,408	109,810
Reinvestment of distributions	761,164	60,589
Amounts paid for units redeemed	(1,876,184)	(106,401)
Net increase from redeemable unit transactions	196,388	63,998
Balance, end of year	\$ 1,985,467	\$ 2,222,541

ACTIVE GLOBAL EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Decrease in net assets attributable to holders of redeemable units	\$ (433,462)	\$ (426,720)
Adjustments for:		
Foreign exchange (gain) loss	882	(2,261)
Interest income	(3,121)	(18)
Dividend income	(22,537)	(28,129)
Withholding taxes	2,097	1,755
Net realized gain from investments	(744,355)	(41,114)
Net change in unrealized appreciation of investments	433,310	425,818
Amortization of premiums and discounts	(333)	(1)
Non cash distributions	761,164	60,589
BCI cost recoveries payable	173	(147)
Other accounts payable	(39)	56
Interest received	3,121	18
Dividends received	22,427	28,155
Withholding taxes paid	(1,882)	(2,706)
External management fees payable	(1,559)	(335)
Net sale of investments	506,818	391
	522,704	15,351
Financing activities		
Proceeds from issuance of redeemable units	1,311,408	109,810
Payments on redemption of redeemable units	(1,876,184)	(106,401)
	(564,776)	3,409
Net increase (decrease) in cash	(42,072)	18,760
Effect of exchange rate changes on cash	(882)	2,261
Cash, beginning of year	43,561	22,540
Cash, end of year	\$ 607	\$ 43,561

ACTIVE GLOBAL EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 1,877,435	\$ 1,581,723	\$ 2,165,715	\$ 1,439,093
Exchange Traded Funds	29,278	27,774	6,966	6,845
Direct Private Equity	2,476	2,499	1,735	1,752
	1,909,189	1,611,996	2,174,416	1,447,690
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	—	—	854	854
Fund ST2	1,205	1,205	122	121
Fund ST3	65,405	69,181	1	1
	66,610	70,386	977	976
Total Investments	\$ 1,975,799	\$ 1,682,382	\$ 2,175,393	\$ 1,448,666

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 and/or U.S. Dollar Money Market Funds, 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 over-the-counter 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.

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, 2023, 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.

2023					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
British Pound Sterling	\$ 254,847	\$ —	\$ 254,847	12.8 %	
Danish Krone	30,146	—	30,146	1.5	
Euro	81,162	—	81,162	4.1	
Hong Kong Dollar	21,237	—	21,237	1.1	
Japanese Yen	62,310	—	62,310	3.1	
Swiss Franc	22,386	—	22,386	1.1	
United States Dollar	1,507,772	—	1,507,772	75.9	
Net Foreign Exchange Exposure	\$ 1,979,860	\$ —	\$ 1,979,860	99.7 %	

2022					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
British Pound Sterling	\$ 71,680	\$ —	\$ 71,680	3.2 %	
Danish Krone	147,587	—	147,587	6.6	
Euro	190,355	—	190,355	8.6	
Hong Kong Dollar	69,274	—	69,274	3.1	
Indian Rupee	47,552	—	47,552	2.1	
Indonesian Rupiah	41,627	—	41,627	1.9	
Japanese Yen	167,688	—	167,688	7.5	
South African Rand	6	—	6	0.0	
South Korean Won	14,785	—	14,785	0.7	
Swedish Krona	71,493	—	71,493	3.2	
Swiss Franc	86,737	—	86,737	3.9	
Taiwan Dollar	19,040	—	19,040	0.9	
United States Dollar	1,289,294	—	1,289,294	58.0	
Net Foreign Exchange Exposure	\$ 2,217,118	\$ —	\$ 2,217,118	99.8 %	

As at December 31, 2023, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$19,799 (2022 - \$22,171), representing 1.0% of the Fund's net assets (2022 - 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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 223,790	11.9 %	\$ 244,331	11.3 %
Consumer Staples	122,557	6.5	156,460	7.2
Energy	71,449	3.8	35,376	1.6
Financials	358,749	19.1	339,737	15.7
Health Care	244,228	13.0	362,681	16.7
Industrials	264,802	14.1	196,555	9.1
Information Technology	324,797	17.3	475,336	21.9
Materials	36,825	2.0	100,098	4.6
Real Estate	—	—	40,932	1.9
Telecommunication Services	230,238	12.2	155,616	7.2
Utilities	—	—	58,593	2.7
Total Publicly Traded	1,877,435	99.9	2,165,715	99.9
Information Technology	2,476	0.1	1,735	0.1
Total Direct Private Equity	2,476	0.1	1,735	0.1
Total	\$ 1,879,911	100.0 %	\$ 2,167,450	100.0 %

As at December 31, 2023, 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 \$190,605 (2022 - \$205,143) or 9.6% (2022 - 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, 2023 and 2022, 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 are concentrated in the following geographic regions:

GEOGRAPHIC REGION	2023		2022	
	Total	% of Total	Total	% of Total
China	\$ 21,237	1.1 %	\$ 9,451	0.4 %
Denmark	30,146	1.6	147,175	6.8
France	34,327	1.8	63,110	2.9
Germany	—	—	54,530	2.5
Hong Kong	—	—	58,798	2.7
India	—	—	47,552	2.2
Indonesia	—	—	41,627	1.9
Japan	62,275	3.3	166,160	7.7
Korea	—	—	14,703	0.7
Netherlands	44,326	2.4	70,758	3.3
Sweden	—	—	71,332	3.3
Switzerland	21,816	1.2	86,684	4.0
Taiwan	—	—	18,941	0.9
United Kingdom	254,847	13.6	71,679	3.3
United States	1,408,461	74.9	1,243,215	57.3
Total Publicly Traded	1,877,435	99.9	2,165,715	99.9
Netherlands	2,476	0.1	1,735	0.1
Total Direct Private Equity	2,476	0.1	1,735	0.1
Total	\$ 1,879,911	100.0 %	\$ 2,167,450	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 analyzes 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.

	2023				2022			
	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	\$ 1,877,435	\$ —	\$ —	\$ 1,877,435	\$ 2,165,715	\$ —	\$ —	\$ 2,165,715
Exchange traded funds	29,278	—	—	29,278	6,966	—	—	6,966
Money market funds	66,610	—	—	66,610	977	—	—	977
Private equity investment	—	—	2,476	2,476	—	—	1,735	1,735
Total investments	1,973,323	—	2,476	1,975,799	2,173,658	—	1,735	2,175,393
								—
Total	\$ 1,973,323	\$ —	\$ 2,476	\$ 1,975,799	\$ 2,173,658	\$ —	\$ 1,735	\$ 2,175,393

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 2023 and 2022, 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.

	2023	2022
Opening balance, beginning of year	\$ 1,735	\$ 1,149
Total gains (losses) recognized in profit or loss	(6)	47
Purchases	747	539
Sales	—	—
Closing balance, end of year	\$ 2,476	\$ 1,735
Total unrealized gains (losses) for the period included in profit or loss related to level 3 investments held at the reporting date	\$ (6)	\$ 47

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:

	2023				
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Sensitivity to Change in Significant Unobservable Input
Private equity investment	\$ 2,476	Market approach	Revenue Multiples	7.6	The estimated fair value would increase (decrease) if the EV multiples was higher (lower).

ACTIVE GLOBAL EQUITY FUND

2022					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Private equity investment	\$ 1,735	Market approach	Revenue Multiples	8.6	The estimated fair value would increase (decrease) if the EV multiples was 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 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%.

	2023	2022
Favourable	\$ 248	\$ 174
Unfavourable	(248)	(174)

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 2023 and 2022, 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	2023			2022		
	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	\$ 5,376,227	\$ 66,610	3	\$ 7,776,734	\$ 977
Investee funds administered by external manager	1	18,445,808	29,278	1	17,265,016	6,966

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 938	\$ 164
Withholding tax reclaims receivable	6	1,067	1,885
Derivative assets:			
Swaps		42,961	—
Investments		1,078,123	298,747
Total assets		1,123,089	300,796
Liabilities			
BCI cost recoveries payable	4	270	47
Other accounts payable		28	17
Derivative liabilities:			
Swaps		9,795	2,452
		10,093	2,516
Net assets attributable to holders of redeemable units		\$ 1,112,996	\$ 298,280
Number of redeemable units outstanding	5	226.782	75.146
Net assets attributable to holders of redeemable units per unit		\$ 4,908	\$ 3,969

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 33,290	\$ 5,914
Dividend income		556	1,247
Securities lending income		401	207
Other income		—	9
Foreign exchange gain (loss)		(24)	15
Change in fair value of investments and derivatives:			
Net realized gain (loss)		74,914	(21,561)
Net change in unrealized appreciation		37,365	(15,475)
Total revenue (loss)		146,502	(29,644)
Expenses			
BCI cost recoveries	4	1,958	459
Administrative fees		45	6
Withholding taxes	6	(14)	20
Total operating expenses		1,989	485
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		144,513	(30,129)
Distributions to holders of redeemable units		(85,168)	(6,907)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 59,345	\$ (37,036)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 298,280	\$ 328,409
Increase (decrease) in net assets attributable to holders of redeemable units	59,345	(37,036)
Redeemable unit transactions:		
Proceeds from units issued	670,203	—
Reinvestment of distributions	85,168	6,907
Net increase from redeemable unit transactions	755,371	6,907
Balance, end of year	\$ 1,112,996	\$ 298,280

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 59,345	\$ (37,036)
Adjustments for:		
Foreign exchange (gain) loss	24	(15)
Interest income	(33,290)	(5,914)
Dividend income	(556)	(1,247)
Withholding taxes	(14)	20
Net realized (gain) loss from investments and derivatives	(74,914)	21,561
Net change in unrealized appreciation of investments and derivatives	(37,365)	15,475
Amortization of premiums and discounts	(10,447)	(458)
Non cash distributions	85,168	6,907
BCI cost recoveries payable	223	31
Other accounts payable	11	(11)
Interest received	33,290	5,914
Dividends received	556	1,247
Withholding taxes paid	832	(42)
Net purchase of investments and derivatives	(692,268)	(6,643)
	(669,405)	(211)
Financing activities		
Proceeds from issuance of redeemable units	670,203	—
Net increase (decrease) in cash	798	(211)
Effect of exchange rate changes on cash	(24)	15
Cash, beginning of year	164	360
Cash, end of year	\$ 938	\$ 164

See accompanying Notes to the Financial Statements

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	\$ 110	\$ 110	\$ 109	\$ 109
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 3 Floating Rate Fund	21,002	21,382	298,638	300,749
CORRA 3 Floating Rate Fund	1,057,011	1,056,995	—	—
	1,078,013	1,078,377	298,638	300,749
Total Investments	\$ 1,078,123	\$ 1,078,487	\$ 298,747	\$ 300,858

GLOBAL QUANTITATIVE ACTIVE EQUITY FUND

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023			2022		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
		Derivative Assets ^(b)	Derivative Liabilities		Derivative Assets ^(b)	Derivative Liabilities
Equity derivatives						
OTC						
Swaps	\$ 1,069,337	\$ 42,961	\$ (9,795)	\$ 300,022	\$ —	\$ (2,452)
Total	\$ 1,069,337	\$ 42,961	\$ (9,795)	\$ 300,022	\$ —	\$ (2,452)

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

	2023	2022
Less than 1 year	\$ 1,069,337	\$ 300,022
Total	\$ 1,069,337	\$ 300,022

(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 benchmark 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 in the BCI's Canadian and/or US Dollar Short Term (money market) Funds;
- 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 one 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 at any time exceed 5% of the net asset value of the Fund;
- at inception, counterparties to all over-the-counter 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	2023						2022					
				Fair Value						Fair Value		
	Notional Value		Derivative Assets		Derivative Liabilities		Notional Value		Derivative Assets		Derivative Liabilities	
AAA/AA	\$	731,484	\$	10,768	\$	(3,087)	\$	246,197	\$	—	\$	(1,069)
A		337,853		32,193		(6,708)		53,825		—		(1,383)
Total Derivatives	\$	1,069,337	\$	42,961	\$	(9,795)	\$	300,022	\$	—	\$	(2,452)

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	2023		2022	
Collateral received	\$	39,874	\$	—

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:

2023									
	Carrying value		Less than 1 year		1 to 2 years		Over 2 year		Total
Derivative assets	\$	42,961	\$	42,961	\$	—	\$	—	42,961
Derivative liabilities		(9,795)		(9,795)		—		—	(9,795)
	\$	33,166	\$	33,166	\$	—	\$	—	33,166

2022									
	Carrying value		Less than 1 year		1 to 2 years		Over 2 year		Total
Derivative assets	\$	—	\$	—	\$	—	\$	—	—
Derivative liabilities		(2,452)		(2,452)		—		—	(2,452)
	\$	(2,452)	\$	(2,452)	\$	—	\$	—	(2,452)

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, 2023, 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.

2023					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Euro	\$ 133	\$ —	\$ 133	0.0 %	
Swiss Franc	669	—	669	0.1	
United States Dollar	137	—	137	0.0	
Net Foreign Exchange Exposure	\$ 939	\$ —	\$ 939	0.1 %	

2022					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
United States Dollar	\$ 15	\$ —	\$ 15	0.0 %	
Net Foreign Exchange Exposure	\$ 15	\$ —	\$ 15	0.0 %	

As at December 31, 2023, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$9 (2022 - \$0), representing 0.0% of the Fund's net assets (2022 - 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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 139,788	12.6 %	\$ 30,098	10.1 %
Consumer Staples	71,640	6.5	23,676	8.0
Energy	41,558	3.8	15,061	5.1
Financials	162,662	14.7	41,531	13.9
Health Care	143,424	12.9	41,845	14.1
Industrials	112,785	10.2	35,128	11.8
Information Technology	254,038	22.9	66,842	22.4
Materials	40,595	3.7	2,404	0.8
Real Estate	38,133	3.4	7,494	2.5
Telecommunication Services	72,124	6.5	18,741	6.3
Utilities	31,445	2.8	14,919	5.0
Total	\$ 1,108,192	100.0 %	\$ 297,739	100.0 %

As at December 31, 2023, 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 \$112,413 (2022 - \$30,341) or 10.1% (2022 - 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, 2023 and 2022, 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	2023		2022	
	Total	% of Total	Total	% of Total
Australia	\$ 31,870	2.9 %	\$ 9,235	3.1 %
Austria	627	0.1	(569)	(0.2)
Belgium	206	0.0	353	0.1
Brazil	2,832	0.3	261	0.1
Chile	—	0.0	46	0.0
China	(2,439)	(0.2)	(1,748)	(0.6)
Denmark	19,142	1.7	2,641	0.9
Finland	7,919	0.7	3,079	1.0
France	39,221	3.5	17,342	5.8
Germany	7,868	0.7	(635)	(0.2)
Hong Kong	3,367	0.3	2,895	1.0
Ireland	(476)	0.0	(128)	0.0
Israel	1,400	0.1	526	0.2
Italy	12,999	1.2	5,158	1.7
Japan	65,760	5.9	19,395	6.5
Korea	6	0.0	(13)	0.0
Netherlands	33,478	3.0	11,143	3.7
New Zealand	(1,150)	(0.1)	(249)	(0.1)
Norway	7,343	0.7	643	0.2
Portugal	4,014	0.4	1,812	0.6
Singapore	6,171	0.6	3,037	1.0
South Africa	996	0.1	307	0.1
Spain	10,332	0.9	4,844	1.6
Sweden	(13,529)	(1.2)	2,672	0.9
Switzerland	22,014	2.0	1,676	0.6
United Kingdom	44,180	4.0	11,848	4.0
United States	804,041	72.4	202,168	68.0
Total	\$ 1,108,192	100.0 %	\$ 297,739	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 analyzes 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.

	2023			2022		
	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	\$ 110	\$ —	\$ 110	\$ 109	\$ —	\$ 109
Floating rate funds	1,078,013	—	1,078,013	298,638	—	298,638
Total investments	1,078,123	—	1,078,123	298,747	—	298,747
Swaps, net	—	33,166	33,166	—	(2,452)	(2,452)
Total	\$ 1,078,123	\$ 33,166	\$ 1,111,289	\$ 298,747	\$ (2,452)	\$ 296,295

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 2023 and 2022, 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 2023 and 2022, 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	2023			2022		
	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	\$ 2,679,051	\$ 110	1	\$ 1,910,876	\$ 109
Investee floating rate funds administered by BCI	2	7,406,517	1,078,013	1	5,911,422	298,638

INDEXED GLOBAL EQUITY FUND 1

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 3,929	\$ 8,361
Receivable from issuance of units		103,800	—
Dividends receivable		5,240	4,071
Withholding tax reclaims receivable	6	4,029	5,446
Derivative assets:			
Swaps		198,247	172,077
Options		64,098	—
Investments		11,318,133	16,699,758
Total assets		11,697,476	16,889,713
Liabilities			
Payable for purchase of investments		3,500	6,530
Payable for redemption of units		100,300	—
BCI cost recoveries payable	4	915	1,069
Other accounts payable		1,004	982
Derivative liabilities:			
Swaps		3,430	287,651
Options		56,680	—
		165,829	296,232
Net assets attributable to holders of redeemable units		\$ 11,531,647	\$ 16,593,481
Number of redeemable units outstanding	5	2,467,091	4,314,520
Net assets attributable to holders of redeemable units per unit		\$ 4,674	\$ 3,846

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

INDEXED GLOBAL EQUITY FUND 1

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 389,968	\$ 243,491
Dividend income		90,720	106,467
Securities lending income		6,390	7,400
Other income		205	259
Foreign exchange gain		11,687	11,720
Change in fair value of investments and derivatives:			
Net realized gain (loss)		1,287,323	(544,048)
Net change in unrealized appreciation		1,073,636	(461,710)
Total revenue (loss)		2,859,929	(636,421)
Expenses			
BCI cost recoveries	4	25,032	17,139
Administrative fees		434	46
Commissions and stock exchange fees		81	56
Withholding taxes	6	1,169	1,736
Total operating expenses		26,716	18,977
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		2,833,213	(655,398)
Distributions to holders of redeemable units		(1,201,464)	(347,400)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 1,631,749	\$ (1,002,798)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 16,593,481	\$ 8,522,036
Increase (decrease) in net assets attributable to holders of redeemable units	1,631,749	(1,002,798)
Redeemable unit transactions:		
Proceeds from units issued	3,705,355	14,586,286
Reinvestment of distributions	1,201,464	347,400
Amounts paid for units redeemed	(11,600,402)	(5,859,443)
Net increase (decrease) from redeemable unit transactions	(6,693,583)	9,074,243
Balance, end of year	\$ 11,531,647	\$ 16,593,481

INDEXED GLOBAL EQUITY FUND 1

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 1,631,749	\$ (1,002,798)
Adjustments for:		
Foreign exchange gain	(11,687)	(11,720)
Interest income	(389,968)	(243,491)
Dividend income	(90,720)	(106,467)
Withholding taxes	1,169	1,736
Net realized (gain) loss from investments and derivatives	(1,287,323)	544,048
Net change in unrealized appreciation of investments and derivatives	(1,073,636)	461,710
Amortization of premiums and discounts	(74,817)	(14,649)
Non cash distributions	1,201,464	347,400
BCI cost recoveries payable	(154)	53
Other accounts payable	22	862
Interest received	389,968	243,491
Dividends received	89,551	103,703
Withholding taxes paid	248	(1,929)
Net sale (purchase) of investments and derivatives	7,496,562	(9,055,089)
	7,882,428	(8,733,140)
Financing activities		
Proceeds from issuance of redeemable units	3,601,555	14,586,286
Payments on redemption of redeemable units	(11,500,102)	(5,859,443)
	(7,898,547)	8,726,843
Net decrease in cash	(16,119)	(6,297)
Effect of exchange rate changes on cash	11,687	11,720
Cash, beginning of year	8,361	2,938
Cash, end of year	\$ 3,929	\$ 8,361

INDEXED GLOBAL EQUITY FUND 1

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 6,325,713	\$ 5,269,436	\$ 4,464,464	\$ 4,165,981
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 1 Floating Rate Fund	2,268,867	2,252,709	12,235,294	12,217,212
CORRA 1 Floating Rate Fund	2,710,009	2,710,622	—	—
	4,978,876	4,963,331	12,235,294	12,217,212
Public Equity Funds				
Units in BCI Pooled Investment Portfolio				
Indexed Global Equity Fund 2	13,544	12,974	—	—
Total Investments	\$ 11,318,133	\$ 10,245,741	\$ 16,699,758	\$ 16,383,193

INDEXED GLOBAL EQUITY FUND 1

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023			2022		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
		Derivative Assets ^(b)	Derivative Liabilities		Derivative Assets ^(b)	Derivative Liabilities
Equity derivatives						
OTC						
Swaps	\$ 4,939,012	\$ 198,247	\$ (3,430)	\$ 12,177,738	\$ 172,077	\$ (287,651)
Options - Purchased	1,419,369	64,098	—	—	—	—
Options - Written	1,419,369	—	(56,680)	—	—	—
Currency derivatives						
OTC						
Forwards	—	—	—	6	—	—
Total	\$ 7,777,750	\$ 262,345	\$ (60,110)	\$ 12,177,744	\$ 172,077	\$ (287,651)

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

	2023	2022
Less than 1 year	\$ 3,519,644	\$ 12,177,744
1 to 2 years	4,258,106	—
Total	\$ 7,777,750	\$ 12,177,744

(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 this Fund are allocated units that optimize the regulatory, tax, or administrative requirements applicable to each client. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"). The Fund's performance objective is to replicate the returns of the Index. The Fund is 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, units in the BCI's Canadian and/or U.S. Dollar Money Market Funds and other BCI short-term fixed income pooled funds; and
- units in BCI's 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 over-the-counter 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	2023			2022		
	Fair Value			Fair Value		
	Notional Value	Derivative Assets	Derivative Liabilities	Notional Value	Derivative Assets	Derivative Liabilities
AAA/AA	\$ 2,929,202	\$ 94,511	\$ (585)	\$ 6,654,775	\$ 15,092	\$ (143,530)
A	4,848,548	167,834	(59,525)	5,522,969	156,985	(144,121)
Total Derivatives	\$ 7,777,750	\$ 262,345	\$ (60,110)	\$ 12,177,744	\$ 172,077	\$ (287,651)

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	2023	2022
Collateral received	\$ 202,235	\$ 70,244

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:

2023					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 262,345	\$ 198,247	\$ 64,098	\$ —	\$ 262,345
Derivative liabilities	(60,110)	(585)	(59,525)	—	(60,110)
	\$ 202,235	\$ 197,662	\$ 4,573	\$ —	\$ 202,235

2022					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 172,077	\$ 172,077	\$ —	\$ —	\$ 172,077
Derivative liabilities	(287,651)	(287,651)	—	—	(287,651)
	\$ (115,574)	\$ (115,574)	\$ —	\$ —	\$ (115,574)

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, 2023, 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.

2023					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Australian Dollar	\$ 2,169	\$ —	\$ 2,169	0.0	%
British Pound Sterling	4,034	—	4,034	0.0	
Danish Krone	951	—	951	0.0	
Euro	9,550	—	9,550	0.1	
Hong Kong Dollar	638	—	638	0.0	
Israeli New Shekel	108	—	108	0.0	
Japanese Yen	6,788	—	6,788	0.1	
New Zealand Dollar	56	—	56	0.0	
Norwegian Krone	191	—	191	0.0	
Singapore Dollar	362	—	362	0.0	
Swedish Krona	898	—	898	0.0	
Swiss Franc	2,808	—	2,808	0.0	
United States Dollar	6,304,751	—	6,304,751	54.7	
Net Foreign Exchange Exposure	\$ 6,333,304	\$ —	\$ 6,333,304	54.9	%

2022					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Australian Dollar	\$ 36,717	\$ —	\$ 36,717	0.2	%
British Pound Sterling	61,896	—	61,896	0.4	
Danish Krone	13,631	—	13,631	0.1	
Euro	155,559	(6)	155,553	0.9	
Hong Kong Dollar	13,594	—	13,594	0.1	
Israeli New Shekel	3,228	—	3,228	0.0	
Japanese Yen	101,201	—	101,201	0.6	
New Zealand Dollar	942	—	942	0.0	
Norwegian Krone	3,585	—	3,585	0.0	
Singapore Dollar	6,241	—	6,241	0.0	
Swedish Krona	15,384	—	15,384	0.1	
Swiss Franc	46,256	—	46,256	0.3	
United States Dollar	4,012,187	6	4,012,193	24.2	
Net Foreign Exchange Exposure	\$ 4,470,421	\$ —	\$ 4,470,421	26.9	%

As at December 31, 2023, 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 \$63,333 (2022 - \$44,704), representing 0.5% of the Fund's net assets (2022 - 0.3%). 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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 1,278,018	11.1 %	\$ 1,691,750	10.2 %
Consumer Staples	795,088	6.9	1,329,026	8.0
Energy	463,808	4.0	860,187	5.2
Financials	1,664,306	14.5	2,242,436	13.5
Health Care	1,438,719	12.5	2,495,823	15.1
Industrials	1,269,909	11.0	1,760,657	10.6
Information Technology	2,697,260	23.5	3,425,486	20.7
Materials	453,407	3.9	702,100	4.2
Real Estate	290,924	2.5	454,476	2.7
Telecommunication Services	844,826	7.5	1,077,386	6.6
Utilities	297,914	2.6	527,668	3.2
Total	\$ 11,494,179	100.0 %	\$ 16,566,995	100.0 %

As at December 31, 2023, 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 \$1,153,165 (2022 - \$1,660,924) or 10.0% (2022 - 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, 2023 and 2022, 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	2023		2022	
	Total	% of Total	Total	% of Total
Australia	\$ 254,613	2.2 %	\$ 403,443	2.4 %
Austria	7,854	0.1	11,971	0.1
Belgium	26,191	0.2	43,885	0.3
Brazil	4,528	0.0	10,916	0.1
Chile	1,650	0.0	2,283	0.0
China	17,037	0.1	37,910	0.2
Denmark	106,669	0.9	145,180	0.9
Finland	34,411	0.3	61,162	0.4
France	333,640	2.9	547,221	3.3
Germany	270,972	2.4	392,794	2.4
Hong Kong	68,084	0.6	146,008	0.9
Ireland	13,586	0.1	29,244	0.2
Israel	19,307	0.2	35,153	0.2
Italy	73,458	0.6	99,088	0.6
Japan	716,766	6.2	1,074,272	6.5
Korea	950	0.0	2,531	0.0
Netherlands	178,357	1.6	263,113	1.6
New Zealand	7,987	0.1	11,505	0.1
Norway	19,573	0.2	35,123	0.2
Portugal	5,865	0.1	9,381	0.1
Singapore	49,873	0.4	79,583	0.5
South Africa	6,238	0.1	15,408	0.1
Spain	82,630	0.7	120,568	0.7
Sweden	102,273	0.9	152,018	0.9
Switzerland	205,265	1.8	307,107	1.9
United Kingdom	351,978	3.1	622,872	3.8
United States	8,534,424	74.2	11,907,256	71.6
Total	\$ 11,494,179	100.0 %	\$ 16,566,995	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 analyzes 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.

	2023			2022		
	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	\$ 6,325,713	\$ —	\$ 6,325,713	\$ 4,464,464	\$ —	\$ 4,464,464
Floating rate funds	4,978,876	—	4,978,876	12,235,294	—	12,235,294
BCI Public Equity Funds	13,544	—	13,544	—	—	—
Total investments	11,318,133	—	11,318,133	16,699,758	—	16,699,758
Swaps, net	—	194,817	194,817	—	(115,574)	(115,574)
Options, net	—	7,418	7,418	—	—	—
Total derivatives	—	202,235	202,235	—	(115,574)	(115,574)
Total	\$ 11,318,133	\$ 202,235	\$ 11,520,368	\$ 16,699,758	\$ (115,574)	\$ 16,584,184

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 2023 and 2022, 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 2023 and 2022, 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	2023			2022		
	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	2	\$ 11,482,007	\$ 4,978,876	1	\$ 19,146,224	\$ 12,235,294
Investee equity funds administered by BCI	1	127,850	13,544	—	—	—

INDEXED GLOBAL EQUITY FUND 2

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 191	\$ 100
Receivable from issuance of units		3,500	—
Dividends receivable		101	95
Withholding tax reclaims receivable	6	94	50
Investments		127,513	105,528
Total assets		131,399	105,773
Liabilities			
Payable for redemption of units		3,500	—
BCI cost recoveries payable	4	4	3
Other accounts payable		45	19
		3,549	22
Net assets attributable to holders of redeemable units		\$ 127,850	\$ 105,751
Number of redeemable units outstanding	5	106,645	106,645
Net assets attributable to holders of redeemable units per unit		\$ 1,199	\$ 992

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

INDEXED GLOBAL EQUITY FUND 2

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Dividend income		\$ 2,442	\$ 2,493
Securities lending income		16	16
Other income		7	3
Foreign exchange loss		(3)	(1)
Change in fair value of investments:			
Net realized gain (loss)		(361)	2,100
Net change in unrealized appreciation		20,412	(20,534)
Total revenue (loss)		22,513	(15,923)
Expenses			
BCI cost recoveries	4	40	51
Administrative fees		62	60
Commissions and stock exchange fees		2	13
Withholding taxes	6	310	310
Total operating expenses		414	434
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		22,099	(16,357)
Distributions to holders of redeemable units		(2,046)	(4,156)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 20,053	\$ (20,513)

See accompanying Notes to the Financial Statements

INDEXED GLOBAL EQUITY FUND 2

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

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 105,751	\$ 119,110
Increase (decrease) in net assets attributable to holders of redeemable units	20,053	(20,513)
Redeemable unit transactions:		
Proceeds from units issued	69,317	28,647
Reinvestment of distributions	2,046	4,156
Amounts paid for units redeemed	(69,317)	(25,649)
Net increase from redeemable unit transactions	2,046	7,154
Balance, end of year	\$ 127,850	\$ 105,751

INDEXED GLOBAL EQUITY FUND 2

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 20,053	\$ (20,513)
Adjustments for:		
Foreign exchange loss	3	1
Dividend income	(2,442)	(2,493)
Withholding taxes	310	310
Net realized (gain) loss from investments	361	(2,100)
Net change in unrealized appreciation of investments	(20,412)	20,534
Amortization of premiums and discounts	—	21
Non cash distributions	2,046	4,156
BCI cost recoveries payable	1	3
Other accounts payable	26	8
Dividends received	2,436	2,470
Withholding taxes paid	(354)	(342)
Net purchase of investments	(1,934)	(5,018)
	94	(2,963)
Financing activities		
Proceeds from issuance of redeemable units	65,817	28,647
Payments on redemption of redeemable units	(65,817)	(25,649)
	—	2,998
Net increase in cash	94	35
Effect of exchange rate changes on cash	(3)	(1)
Cash, beginning of year	100	66
Cash, end of year	\$ 191	\$ 100

INDEXED GLOBAL EQUITY FUND 2

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2021	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 127,513	\$ 89,642	\$ 105,528	\$ 88,069
Total Investments	\$ 127,513	\$ 89,642	\$ 105,528	\$ 88,069

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 this Fund are allocated units that optimize the regulatory, tax, or administrative requirements applicable to each client. The Fund's benchmark is the Morgan Stanley Capital International ("MSCI") World ex-Canada Net Index (the "Index"). The Fund's performance objective is to replicate the returns of the Index. The Fund is 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 and/or U.S. Dollar Money Market Funds; and
- units in BCI's 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 over-the-counter 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, 2023, 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.

2023					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)		Net Foreign Currency Contracts Receivable/ (Payable)		% of Total Net Assets
				Net Exposure	
Australian Dollar	\$	2,735	\$	—	\$ 2,735 2.1 %
British Pound Sterling		4,685		—	4,685 3.7
Danish Krone		1,181		—	1,181 0.9
Euro		12,352		—	12,352 9.7
Hong Kong Dollar		749		—	749 0.6
Israeli New Shekel		154		—	154 0.1
Japanese Yen		7,954		—	7,954 6.2
New Zealand Dollar		76		—	76 0.1
Norwegian Krone		247		—	247 0.2
Singapore Dollar		442		—	442 0.3
Swedish Krona		1,127		—	1,127 0.9
Swiss Franc		3,503		—	3,503 2.7
United States Dollar		92,597		—	92,597 72.4
Net Foreign Exchange Exposure	\$	127,802	\$	—	\$ 127,802 100.0 %

INDEXED GLOBAL EQUITY FUND 2

2022					
CURRENCY	Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Australian Dollar	\$ 2,450	\$ —	\$ 2,450	2.3 %	
British Pound Sterling	4,219	—	4,219	4.0	
Danish Krone	916	—	916	0.9	
Euro	10,416	—	10,416	9.8	
Hong Kong Dollar	928	—	928	0.9	
Israeli New Shekel	143	—	143	0.1	
Japanese Yen	6,947	—	6,947	6.6	
New Zealand Dollar	59	—	59	0.1	
Norwegian Krone	238	—	238	0.2	
Singapore Dollar	414	—	414	0.4	
Swedish Krona	1,017	—	1,017	1.0	
Swiss Franc	3,137	—	3,137	3.0	
United States Dollar	74,817	—	74,817	70.7	
Net Foreign Exchange Exposure	\$ 105,701	\$ —	\$ 105,701	100.0 %	

As at December 31, 2023, if the Canadian dollar had strengthened/weakened by 1% in relation to , holding all other variables constant, net assets would have decreased/increased, by \$1,278 (2022 - \$1,057), representing 1.0% of the Fund's net assets (2022 - 1.0%). 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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 14,157	11.1 %	\$ 10,784	10.2 %
Consumer Staples	8,790	6.9	8,446	8.0
Energy	5,157	4.0	5,492	5.2
Financials	18,495	14.5	14,253	13.5
Health Care	15,951	12.5	15,903	15.1
Industrials	14,112	11.1	11,224	10.6
Information Technology	29,922	23.5	21,844	20.7
Materials	5,010	3.9	4,453	4.2
Real Estate	3,228	2.5	2,908	2.8
Telecommunication Services	9,385	7.4	6,874	6.5
Utilities	3,306	2.6	3,347	3.2
Total	\$ 127,513	100.0 %	\$ 105,528	100.0 %

As at December 31, 2023, 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 \$12,785 (2022 - \$10,552) or 10.0% (2022 - 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, 2023, 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	2023		2022	
	Total	% of Total	Total	% of Total
Australia	\$ 2,679	2.1 %	\$ 2,446	2.3 %
Austria	65	0.1	58	0.1
Belgium	341	0.3	315	0.3
Denmark	1,181	0.9	916	0.9
Finland	376	0.3	309	0.3
France	4,259	3.3	3,667	3.5
Germany	3,033	2.4	2,518	2.4
Hong Kong	773	0.6	963	0.9
Ireland	185	0.1	212	0.2
Israel	241	0.2	230	0.2
Italy	924	0.7	721	0.7
Japan	7,946	6.2	6,937	6.6
Netherlands	2,198	1.7	1,827	1.7
New Zealand	72	0.1	59	0.1
Norway	234	0.2	238	0.2
Qatar	80	0.1	70	0.1
Singapore	477	0.4	470	0.4
Spain	942	0.7	747	0.7
Sweden	1,127	0.9	1,017	1.0
Switzerland	3,503	2.7	3,137	3.0
United Kingdom	4,670	3.7	4,214	4.0
United States	92,207	72.3	74,457	70.4
Total	\$ 127,513	100.0 %	\$ 105,528	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 analyzes 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.

	2023			2022		
	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	\$ 127,513	\$ —	\$ 127,513	\$ 105,528	\$ —	\$ 105,528
Total	\$ 127,513	\$ —	\$ 127,513	\$ 105,528	\$ —	\$ 105,528

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 2023 and 2022 there were no significant transfers between the three levels in the hierarchy.

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 50,048	\$ 157,856
Receivable from sale of investments		1,852	8,076
Receivable from issuance of units		7,000	—
Interest receivable		—	284
Dividends receivable		18,020	18,159
Withholding tax reclaims receivable	6	803	434
Derivative assets:			
Swaps		—	76
Forwards		12	22
Investments		4,737,920	6,302,339
Total assets		4,815,655	6,487,246
Liabilities			
Payable for purchase of investments		17,760	19,320
Payable for redemption of units		7,000	—
BCI cost recoveries payable	4	1,252	822
External management fees payable		4,394	6,757
Other accounts payable		2,638	2,044
Derivative liabilities:			
Forwards		1	9
		33,045	28,952
Net assets attributable to holders of redeemable units		\$ 4,782,610	\$ 6,458,294
Number of redeemable units outstanding	5	2,187,031	3,301,500
Net assets attributable to holders of redeemable units per unit		\$ 2,187	\$ 1,956

[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, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ —	\$ 396
Dividend income		210,576	257,913
Securities lending income		1,200	648
Other income		6,107	1,908
Foreign exchange gain (loss)		(8,475)	12,051
Change in fair value of investments and derivatives:			
Net realized gain (loss)		184,549	(24,348)
Net change in unrealized appreciation		373,638	(779,661)
Total revenue (loss)		767,595	(531,093)
Expenses			
BCI cost recoveries	4	14,056	7,971
External management fees		24,582	32,415
Administrative fees		3,859	2,689
Commissions and stock exchange fees		16,317	12,387
Withholding taxes	6	25,017	55,257
Total operating expenses		83,831	110,719
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		683,764	(641,812)
Distributions to holders of redeemable units		(340,079)	(172,194)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 343,685	\$ (814,006)

See accompanying Notes to the Financial Statements

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 6,458,294	\$ 6,876,438
Increase (decrease) in net assets attributable to holders of redeemable units	343,685	(814,006)
Redeemable unit transactions:		
Proceeds from units issued	916,752	1,092,168
Reinvestment of distributions	340,079	172,194
Amounts paid for units redeemed	(3,276,200)	(868,500)
Net increase (decrease) from redeemable unit transactions	(2,019,369)	395,862
Balance, end of year	\$ 4,782,610	\$ 6,458,294

ACTIVE EMERGING MARKETS EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 343,685	\$ (814,006)
Foreign exchange (gain) loss	8,475	(12,051)
Interest income	—	(396)
Dividend income	(210,576)	(257,913)
Withholding taxes	25,017	55,257
Net realized (gain) loss from investments and derivatives	(184,549)	24,348
Net change in unrealized appreciation of investments and derivatives	(373,638)	779,661
Amortization of premiums and discounts	763	153
Non cash distributions	340,079	172,194
BCI cost recoveries payable	430	377
Other accounts payable	594	248
Interest received	284	112
Dividends received	210,715	249,624
Withholding taxes paid	(25,386)	(55,336)
External management fees payable	(2,363)	(2,547)
Net sale (purchase) of investments and derivatives	2,126,585	(385,936)
	2,260,115	(246,211)
Financing activities		
Proceeds from issuance of redeemable units	909,752	1,092,168
Payments on redemption of redeemable units	(3,269,200)	(868,500)
	(2,359,448)	223,668
Net decrease in cash	(99,333)	(22,543)
Effect of exchange rate changes on cash	(8,475)	12,051
Cash, beginning of year	157,856	168,348
Cash, end of year	\$ 50,048	\$ 157,856

ACTIVE EMERGING MARKETS EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 4,724,894	\$ 4,291,202	\$ 6,278,681	\$ 6,219,154
Exchange Traded Funds	10,016	9,778	—	—
	4,734,910	4,300,980	6,278,681	6,219,154
Bonds				
Corporate	—	—	18,987	18,331
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	2,207	2,207	1,253	1,253
Fund ST3	803	830	11	12
	3,010	3,037	1,264	1,265
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 1 Floating Rate Fund	—	—	3,407	3,402
Total Investments	\$ 4,737,920	\$ 4,304,017	\$ 6,302,339	\$ 6,242,152

ACTIVE EMERGING MARKETS EQUITY FUND

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023			2022		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
		Derivative Assets ^(b)	Derivative Liabilities		Derivative Assets ^(b)	Derivative Liabilities
Equity derivatives						
OTC						
Swaps	\$ —	\$ —	\$ —	\$ 3,369	\$ 76	\$ —
Currency derivatives						
OTC						
Forwards	5,472	12	(1)	20,816	22	(9)
Total	\$ 5,472	\$ 12	\$ (1)	\$ 24,185	\$ 98	\$ (9)

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

	2023	2022
Less than 1 year	\$ 5,472	\$ 24,185
Total	\$ 5,472	\$ 24,185

(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 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 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, units in the BCI's Canadian and/or U.S. Dollar Money Market Funds and other BCI short-term fixed income pooled funds; and
- units in BCI's Floating Rate 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, counterparties to all over-the-counter 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 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	2023						2022					
	Notional Value		Fair Value				Notional Value		Fair Value			
			Derivative Assets		Derivative Liabilities				Derivative Assets		Derivative Liabilities	
AAA/AA	\$	5,472	\$	12	\$	(1)	\$	8,239	\$	22	\$	(2)
A		—		—		—		15,946		76		(7)
Total Derivatives	\$	5,472	\$	12	\$	(1)	\$	24,185	\$	98	\$	(9)

As at December 31, 2023 the Fund invested \$nil (2022 - \$18,987) in a convertible bond instrument with a credit rating of BBB.

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	2023		2022	
Collateral received	\$	—	\$	76

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:

2023									
	Carrying value		Less than 1 year		1 to 2 years		Over 2 year		Total
Derivative assets	\$	12	\$	12	\$	—	\$	—	12
Derivative liabilities		(1)		(1)		—		—	(1)
	\$	11	\$	11	\$	—	\$	—	11
2022									
	Carrying value		Less than 1 year		1 to 2 years		Over 2 year		Total
Derivative assets	\$	98	\$	98	\$	—	\$	—	98
Derivative liabilities		(9)		(9)		—		—	(9)
	\$	89	\$	89	\$	—	\$	—	89

ACTIVE EMERGING MARKETS EQUITY 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.

As at December 31, 2022, the Fund invested \$18,987 in a convertible bond instrument with a term to maturity within 3 years and an effective yield of 6.0%. If prevailing interest rates increased or decreased by 1% (100 bps), with all other variables held constant, net assets would have decreased or increased, respectively, by approximately \$380, representing 0.0% of the Fund's net assets. In practice, actual trading results may differ from this sensitivity analysis and the difference could be material.

Currency Risk

At December 31, 2023, 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.

2023					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Brazilian Real	\$ 568,660	\$ (252)	\$ 568,408	11.9	%
Chilean Peso	30,560	—	30,560	0.6	
Chinese Yuan Renminbi	260,712	—	260,712	5.5	
Czech Koruna	10,646	(299)	10,347	0.2	
Euro	128,106	—	128,106	2.7	
Hong Kong Dollar	690,290	(841)	689,449	14.4	
Hungarian Forint	44,652	—	44,652	0.9	
Indian Rupee	818,557	—	818,557	17.1	
Indonesian Rupiah	108,304	—	108,304	2.3	
Malaysian Ringgit	12,110	—	12,110	0.3	
Mexican Peso	60,183	—	60,183	1.3	
Philippine Peso	24,093	—	24,093	0.5	
Poland Zloty	30,071	—	30,071	0.6	
Qatari Rial	19,765	—	19,765	0.4	
Saudi Riyal	75,574	—	75,574	1.6	
South African Rand	177,833	—	177,833	3.7	
South Korean Won	502,696	3,049	505,745	10.6	
Taiwan Dollar	414,862	1,045	415,907	8.7	
Thai Baht	108,053	—	108,053	2.3	
Turkish Lira	33,592	—	33,592	0.7	
United Arab Emirates Dirham	32,780	—	32,780	0.7	
United States Dollar	614,843	(2,690)	612,153	12.8	
Vietnamese Dong	17,675	—	17,675	0.4	
Net Foreign Exchange Exposure	\$ 4,784,617	\$ 12	\$ 4,784,629	100.0	%

ACTIVE EMERGING MARKETS EQUITY FUND

2022

CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
Brazilian Real	\$ 393,176	\$ (14)	\$ 393,162	6.1 %
British Pound Sterling	13,700	—	13,700	0.2
Chilean Peso	6,078	—	6,078	0.1
Chinese Yuan Renminbi	1,565,709	3,722	1,569,431	24.3
Czech Koruna	10,377	—	10,377	0.2
Euro	177,670	—	177,670	2.8
Hong Kong Dollar	1,285,392	9,797	1,295,189	20.1
Hungarian Forint	34,841	—	34,841	0.5
Indian Rupee	660,895	—	660,895	10.2
Indonesian Rupiah	91,274	—	91,274	1.4
Malaysian Ringgit	23,618	—	23,618	0.4
Mexican Peso	106,311	—	106,311	1.6
Philippine Peso	12,102	—	12,102	0.2
Poland Zloty	89,855	—	89,855	1.4
Qatari Rial	17,765	—	17,765	0.3
Saudi Riyal	46,368	—	46,368	0.7
South African Rand	177,084	(463)	176,621	2.7
South Korean Won	532,831	(294)	532,537	8.2
Taiwan Dollar	372,652	—	372,652	5.8
Thai Baht	124,578	(3,673)	120,905	1.9
Turkish Lira	15,902	—	15,902	0.2
United Arab Emirates Dirham	36,008	(2,781)	33,227	0.5
United States Dollar	650,792	(6,282)	644,510	10.0
Vietnamese Dong	10,070	—	10,070	0.2
Net Foreign Exchange Exposure	\$ 6,455,048	\$ 12	\$ 6,455,060	99.9 %

As at December 31, 2023, 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 \$47,846 (2022 - \$64,551), representing 1.0% of the Fund's net assets (2022 - 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 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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 673,329	14.3 %	\$ 879,774	14.0 %
Consumer Staples	362,221	7.7	624,877	9.9
Energy	422,363	8.9	442,168	7.0
Financials	1,092,798	23.1	1,383,317	22.1
Health Care	46,959	1.0	302,339	4.8
Industrials	324,094	6.9	355,078	5.7
Information Technology	975,524	20.6	1,156,892	18.4
Materials	239,184	5.1	466,933	7.4
Real Estate	110,525	2.3	111,326	1.8
Telecommunication Services	252,627	5.3	453,560	7.2
Utilities	225,270	4.8	105,861	1.7
Total	\$ 4,724,894	100.0 %	\$ 6,282,125	100.0 %

As at December 31, 2023, 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 \$516,522 (2022 - \$630,782) or 10.8% (2022 - 9.8%) 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, 2023 and 2022, 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 and equity derivative financial instruments are concentrated in the following geographic regions:

GEOGRAPHIC REGION	2023		2022	
	Total	% of Total	Total	% of Total
Argentina	\$ —	0.0 %	\$ 3,916	0.1 %
Brazil	705,937	14.9	559,182	8.9
Chile	30,550	0.6	12,643	0.2
China	1,017,774	21.6	2,800,552	44.6
Colombia	6,361	0.1	—	0.0
Czech Republic	10,347	0.2	10,377	0.2
Egypt	—	0.0	4,148	0.1
France	56,059	1.2	52,608	0.8
Greece	21,883	0.5	26,655	0.4
Hong Kong	127,913	2.7	201,478	3.2
Hungary	44,652	0.9	34,841	0.6
India	813,323	17.2	676,580	10.8
Indonesia	108,303	2.3	91,274	1.5
Italy	—	0.0	19,200	0.3
Korea	505,302	10.7	525,565	8.2
Malaysia	11,862	0.3	23,353	0.4
Mexico	60,183	1.3	127,111	2.0
Netherlands	49,625	1.1	78,678	1.3
Peru	24,052	0.5	14,071	0.2
Philippines	24,046	0.5	12,086	0.2
Poland	30,070	0.6	89,855	1.4
Qatar	19,765	0.4	17,765	0.3
Saudi Arabia	75,574	1.6	46,370	0.7
Singapore	23,264	0.5	—	0.0
South Africa	177,405	3.8	176,157	2.8
Taiwan	459,614	9.7	415,555	6.6
Thailand	108,053	2.3	120,905	1.9
Turkey	33,592	0.7	15,902	0.3
United Arab Emirates	32,780	0.7	33,226	0.5
United Kingdom	—	0.0	14,248	0.2
United States	138,945	2.9	67,754	1.1
Vietnam	7,660	0.2	10,070	0.2
Total	\$ 4,724,894	100.0 %	\$ 6,282,125	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 analyzes 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.

	2023				2022			
	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	\$ 4,724,894	\$ —	\$ —	\$ 4,724,894	\$ 6,278,681	\$ —	\$ —	\$ 6,278,681
Exchange traded funds	10,016	—	—	10,016	—	—	—	—
Money market funds	3,010	—	—	3,010	1,264	—	—	1,264
Floating rate funds	—	—	—	—	3,407	—	—	3,407
Bonds	—	—	—	—	—	18,987	—	18,987
Total investments	4,737,920	—	—	4,737,920	6,283,352	18,987	—	6,302,339
Swaps, net	—	—	—	—	—	76	—	76
Forwards, net	—	11	—	11	—	13	—	13
Total derivatives	—	11	—	11	—	89	—	89
Total	\$ 4,737,920	\$ 11	\$ —	\$ 4,737,931	\$ 6,283,352	\$ 19,076	\$ —	\$ 6,302,428

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 2023 and 2022 there were no significant transfers between the three levels in the hierarchy.

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 2023 and 2022, 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	2023			2022		
	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	\$ 5,517,918	\$ 3,010	2	\$ 5,258,947	\$ 1,264
Investee floating rate funds administered by BCI	—	—	—	1	19,146,224	3,407
Investee funds administered by external manager	1	949,603	10,016	—	—	—

INDEXED EMERGING MARKETS EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ —	\$ 589
Receivable from sale of investments		2,359	79
Receivable from issuance of units		40,150	—
Dividends receivable		7,493	8,317
Withholding tax reclaims receivable	6	229	165
Derivative assets:			
Swaps		55,094	220,418
Forwards		4	—
Investments		7,111,931	8,195,900
Total assets		7,217,260	8,425,468
Liabilities			
Payable for purchase of investments		—	17
Payable for redemption of units		40,150	—
BCI cost recoveries payable	4	1,612	1,465
Other accounts payable		2,801	1,921
Derivative liabilities:			
Swaps		13,754	39,464
		58,317	42,867
Net assets attributable to holders of redeemable units		\$ 7,158,943	\$ 8,382,601
Number of redeemable units outstanding	5	4,094.808	5,140.220
Net assets attributable to holders of redeemable units per unit		\$ 1,748	\$ 1,631

[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, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 221,811	\$ 98,921
Dividend income		92,333	118,209
Securities lending income		4,909	4,554
Other income		60	351
Foreign exchange loss		(282)	(1,128)
Change in fair value of investments and derivatives:			
Net realized gain (loss)		183,406	(933,298)
Net change in unrealized appreciation		109,326	(355,847)
Total revenue (loss)		611,563	(1,068,238)
Expenses			
BCI cost recoveries	4	20,407	15,508
Administrative fees		1,370	1,770
Commissions and stock exchange fees		395	394
Withholding taxes	6	10,084	10,240
Total operating expenses		32,256	27,912
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		579,307	(1,096,150)
Distributions to holders of redeemable units		(287,641)	(190,903)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 291,666	\$ (1,287,053)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 8,382,601	\$ 7,819,544
Increase (decrease) in net assets attributable to holders of redeemable units	291,666	(1,287,053)
Redeemable unit transactions:		
Proceeds from units issued	1,648,951	2,328,910
Reinvestment of distributions	287,641	190,903
Amounts paid for units redeemed	(3,451,916)	(669,703)
Net increase (decrease) from redeemable unit transactions	(1,515,324)	1,850,110
Balance, end of year	\$ 7,158,943	\$ 8,382,601

INDEXED EMERGING MARKETS EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 291,666	\$ (1,287,053)
Adjustments for:		
Foreign exchange loss	282	1,128
Interest income	(221,811)	(98,921)
Dividend income	(92,333)	(118,209)
Withholding taxes	10,084	10,240
Net realized (gain) loss from investments and derivatives	(183,406)	933,298
Net change in unrealized appreciation of investments and derivatives	(109,326)	355,847
Amortization of premiums and discounts	(45,439)	(4,601)
Non cash distributions	287,641	190,903
BCI cost recoveries payable	147	338
Other accounts payable	880	402
Interest received	221,811	98,921
Dividends received	93,157	116,892
Withholding taxes paid	(10,148)	(10,237)
Net sale (purchase) of investments and derivatives	1,559,453	(1,848,864)
	1,802,658	(1,659,916)
Financing activities		
Proceeds from issuance of redeemable units	1,608,801	2,328,910
Payments on redemption of redeemable units	(3,411,766)	(669,703)
	(1,802,965)	1,659,207
Net decrease in cash	(307)	(709)
Effect of exchange rate changes on cash	(282)	(1,128)
Cash, beginning of year	589	2,426
Cash, end of year	\$ —	\$ 589

INDEXED EMERGING MARKETS EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 3,180,135	\$ 2,886,620	\$ 2,941,806	\$ 2,880,765
Exchange Traded Funds	—	—	3,338	3,854
	3,180,135	2,886,620	2,945,144	2,884,619
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 1 Floating Rate Fund	1,224,630	1,216,824	5,250,756	5,258,115
CORRA 1 Floating Rate Fund	2,707,166	2,706,385	—	—
	3,931,796	3,923,209	5,250,756	5,258,115
Total Investments	\$ 7,111,931	\$ 6,809,829	\$ 8,195,900	\$ 8,142,734

See accompanying Notes to the Financial Statements

INDEXED EMERGING MARKETS EQUITY FUND

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023			2022		
	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)	\$ —	\$ —	\$ —	\$ 6	\$ —	\$ —
OTC						
Swaps	3,912,696	55,094	(13,754)	5,220,023	220,418	(39,464)
Currency derivatives						
OTC						
Forwards	1,198	4	—	—	—	—
Total	\$ 3,913,894	\$ 55,098	\$ (13,754)	\$ 5,220,029	\$ 220,418	\$ (39,464)

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

	2023	2022
Less than 1 year	\$ 3,913,894	\$ 5,136,387
1 to 2 years	—	83,642
Total	\$ 3,913,894	\$ 5,220,029

- (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 and in realized gains and losses on the Statement of Comprehensive Income.

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, units in the BCI's Canadian and/or U.S. Dollar Money Market Funds; 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 over-the-counter 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	2023			2022		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 24,130	\$ 47	\$ (1,024)	\$ —	\$ —	\$ —
A	3,889,764	55,051	(12,730)	5,220,023	220,418	(39,464)
Total Derivatives	\$ 3,913,894	\$ 55,098	\$ (13,754)	\$ 5,220,023	\$ 220,418	\$ (39,464)

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	2023	2022
Collateral received	\$ 52,546	\$ 183,072
Collateral pledged	—	500

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:

2023					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 55,098	\$ 55,098	\$ —	\$ —	\$ 55,098
Derivative liabilities	(13,754)	(13,754)	—	—	(13,754)
	\$ 41,344	\$ 41,344	\$ —	\$ —	\$ 41,344

2022					
	Carrying value	Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$ 220,418	\$ 220,297	\$ 121	\$ —	\$ 220,418
Derivative liabilities	(39,464)	(39,464)	—	—	(39,464)
	\$ 180,954	\$ 180,833	\$ 121	\$ —	\$ 180,954

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, 2023, 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.

2023					
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets	
Brazilian Real	\$ 218,366	\$ (945)	\$ 217,421	3.0 %	
Chilean Peso	18,960	—	18,960	0.3	
Colombian Peso	4,058	—	4,058	0.1	
Czech Koruna	5,694	—	5,694	0.1	
Egyptian Pound	4,062	—	4,062	0.1	
Euro	17,634	(16)	17,618	0.2	
Hong Kong Dollar	718,605	(142)	718,463	10.0	
Hungarian Forint	9,467	—	9,467	0.1	
Indian Rupee	619,375	—	619,375	8.7	
Indonesian Rupiah	24,238	—	24,238	0.3	
Malaysian Ringgit	49,511	—	49,511	0.7	
Mexican Peso	101,779	—	101,779	1.4	
Pakistani Rupee	3	—	3	0.0	
Philippine Peso	22,985	—	22,985	0.3	
Poland Zloty	36,212	(90)	36,122	0.5	
Qatari Rial	32,948	—	32,948	0.5	
Saudi Riyal	5	—	5	0.0	
South African Rand	16,580	—	16,580	0.2	
South Korean Won	476,645	—	476,645	6.7	
Taiwan Dollar	588,531	—	588,531	8.2	
Thai Baht	64,958	—	64,958	0.9	
Turkish Lira	4,735	—	4,735	0.1	
United Arab Emirates Dirham	46,536	—	46,536	0.7	
United States Dollar	104,710	1,198	105,908	1.5	
Net Foreign Exchange Exposure	\$ 3,186,598	\$ 5	\$ 3,186,603	44.5 %	

INDEXED EMERGING MARKETS EQUITY FUND

2022

CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)		Net Foreign Currency Contracts Receivable/ (Payable)		Net Exposure	% of Total Net Assets
Brazilian Real	\$	185,704	\$	—	\$ 185,704	2.2 %
Chilean Peso		19,337		—	19,337	0.2
Colombian Peso		4,122		—	4,122	0.0
Czech Koruna		4,872		—	4,872	0.1
Egyptian Pound		2,994		—	2,994	0.0
Euro		11,178		—	11,178	0.1
Hong Kong Dollar		852,112		—	852,112	10.2
Hungarian Forint		6,603		—	6,603	0.1
Indian Rupee		501,553		—	501,553	6.0
Indonesian Rupiah		23,255		—	23,255	0.3
Malaysian Ringgit		54,638		—	54,638	0.7
Mexican Peso		79,299		—	79,299	0.9
Pakistani Rupee		4		—	4	0.0
Philippine Peso		25,872		—	25,872	0.3
Poland Zloty		25,230		—	25,230	0.3
Qatari Rial		34,241		—	34,241	0.4
Russian Ruble		1		—	1	0.0
Saudi Riyal		5		—	5	0.0
South African Rand		25,702		—	25,702	0.3
South Korean Won		396,027		—	396,027	4.7
Taiwan Dollar		470,453		—	470,453	5.6
Thai Baht		77,304		—	77,304	0.9
Turkish Lira		3,937		—	3,937	0.0
United Arab Emirates Dirham		46,804		—	46,804	0.6
United States Dollar		103,031		—	103,031	1.2
Net Foreign Exchange Exposure	\$	2,954,278	\$	—	\$ 2,954,278	35.1 %

As at December 31, 2023, 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 \$31,866 (2022 - \$29,543), representing 0.4% of the Fund's net assets (2022 - 0.4%). 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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 912,968	12.9 %	\$ 1,177,054	14.1 %
Consumer Staples	429,555	6.0	539,193	6.4
Energy	365,874	5.1	408,364	4.9
Financials	1,597,054	22.3	1,848,550	22.1
Health Care	268,913	3.8	341,063	4.1
Industrials	484,452	6.8	507,180	6.1
Information Technology	1,582,649	22.1	1,558,296	18.6
Materials	565,837	7.9	740,432	8.9
Real Estate	117,888	1.6	162,633	1.9
Telecommunication Services	631,566	8.8	828,231	9.9
Utilities	193,567	2.7	253,543	3.0
Total	\$ 7,150,323	100.0 %	\$ 8,364,539	100.0 %

As at December 31, 2023, 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 \$715,894 (2022 - \$838,029) or 10.0% (2022 - 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, 2023 and 2022, 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	2023		2022	
	Total	% of Total	Total	% of Total
Australia	\$ —	0.0 %	\$ 9,824	0.1 %
Brazil	412,961	5.8	437,725	5.2
Chile	36,595	0.5	46,603	0.6
China	1,897,348	26.3	2,699,914	32.6
Colombia	7,508	0.1	9,677	0.1
Czech Republic	10,948	0.2	11,676	0.1
Egypt	7,523	0.1	7,119	0.1
Greece	34,077	0.5	26,833	0.3
Hong Kong	4,357	0.1	9,313	0.1
Hungary	18,286	0.3	15,859	0.2
India	1,196,222	16.7	1,207,328	14.4
Indonesia	135,092	1.9	159,151	1.9
Korea	926,490	13.0	946,805	11.3
Kuwait	53,956	0.8	78,531	0.9
Malaysia	95,317	1.3	131,051	1.6
Mexico	200,082	2.8	194,992	2.3
Peru	17,395	0.2	17,807	0.2
Philippines	44,108	0.6	62,096	0.7
Poland	69,101	1.0	59,586	0.7
Qatar	63,583	0.9	82,501	1.0
Romania	3,205	0.0	3,357	0.0
Saudi Arabia	296,788	4.2	343,068	4.1
Singapore	—	0.0	1,345	0.0
South Africa	208,434	2.9	295,493	3.5
Taiwan	1,142,363	16.0	1,149,021	13.7
Thailand	121,100	1.7	181,990	2.2
Turkey	43,942	0.6	56,311	0.7
United Arab Emirates	89,841	1.3	112,670	1.3
United Kingdom	8,147	0.1	1,002	0.0
United States	5,554	0.1	5,891	0.1
Total	\$ 7,150,323	100.0 %	\$ 8,364,539	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 analyzes 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.

	2023			2022		
	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	\$ 3,180,135	\$ —	\$ 3,180,135	\$ 2,941,806	\$ —	\$ 2,941,806
Exchange traded funds	—	—	—	3,338	—	3,338
Floating rate funds	3,931,796	—	3,931,796	5,250,756	—	5,250,756
Total investments	7,111,931	—	7,111,931	8,195,900	—	8,195,900
Swaps, net	—	41,340	41,340	—	180,954	180,954
Forwards, net	—	4	4	—	—	—
Total derivatives	—	41,344	41,344	—	180,954	180,954
Total	\$ 7,111,931	\$ 41,344	\$ 7,153,275	\$ 8,195,900	\$ 180,954	\$ 8,376,854

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 2023 and 2022 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 2023 and 2022, 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	2023			2022		
	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	2	\$ 11,482,007	\$ 3,931,796	1	\$ 19,146,224	\$ 5,250,756
Investee funds administered by external manager	—	—	—	1	22,931,100	3,338

THEMATIC PUBLIC EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 69	\$ 153,270
Receivable from sale of investments		38,719	8,734
Dividends receivable		2,447	3,153
Withholding tax reclaims receivable	6	2,477	2,167
Investments		5,531,925	5,301,717
Total assets		5,575,637	5,469,041
Liabilities			
Payable for purchase of investments		27,745	12,599
BCI cost recoveries payable	4	1,204	1,101
Other accounts payable		418	380
		29,367	14,080
Net assets attributable to holders of redeemable units		\$ 5,546,270	\$ 5,454,961
Number of redeemable units outstanding	5	1,588,777	1,869,080
Net assets attributable to holders of redeemable units per unit		\$ 3,491	\$ 2,919

[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, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 9,900	\$ 31
Dividend income		72,761	76,913
Securities lending income		487	890
Other income		4,257	1,349
Foreign exchange gain		2,055	11,965
Change in fair value of investments:			
Net realized gain (loss)		194,572	(56,226)
Net change in unrealized appreciation		730,810	(940,317)
Total revenue (loss)		1,014,842	(905,395)
Expenses			
BCI cost recoveries	4	14,698	11,949
Administrative fees		437	429
Commissions and stock exchange fees		5,093	4,145
Withholding taxes	6	3,717	9,100
Total operating expenses		23,945	25,623
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		990,897	(931,018)
Distributions to holders of redeemable units		(197,006)	(70,253)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 793,891	\$ (1,001,271)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 5,454,961	\$ 6,385,606
Increase (decrease) in net assets attributable to holders of redeemable units	793,891	(1,001,271)
Redeemable unit transactions:		
Proceeds from units issued	4,565,559	116,998
Reinvestment of distributions	197,006	70,253
Amounts paid for units redeemed	(5,465,147)	(116,625)
Net increase (decrease) from redeemable unit transactions	(702,582)	70,626
Balance, end of year	\$ 5,546,270	\$ 5,454,961

THEMATIC PUBLIC EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 793,891	\$ (1,001,271)
Adjustments for:		
Foreign exchange gain	(2,055)	(11,965)
Interest income	(9,900)	(31)
Dividend income	(72,761)	(76,913)
Withholding taxes	3,717	9,100
Net realized (gain) loss from investments	(194,572)	56,226
Net change in unrealized appreciation of investments	(730,810)	940,317
Amortization of premiums and discounts	(1,003)	(1)
Non cash distributions	197,006	70,253
BCI cost recoveries payable	103	346
Other accounts payable	38	72
Interest received	9,900	31
Dividends received	73,467	77,450
Withholding taxes paid	(4,027)	(10,079)
Net sale of investments	681,338	11,605
	744,332	65,140
Financing activities		
Proceeds from issuance of redeemable units	4,565,559	116,998
Payments on redemption of redeemable units	(5,465,147)	(116,625)
	(899,588)	373
Net increase (decrease) in cash	(155,256)	65,513
Effect of exchange rate changes on cash	2,055	11,965
Cash, beginning of year	153,270	75,792
Cash, end of year	\$ 69	\$ 153,270

See accompanying Notes to the Financial Statements

THEMATIC PUBLIC EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Equity Investments				
Publicly Traded	\$ 5,288,760	\$ 4,658,112	\$ 5,190,341	\$ 5,308,358
Exchange Traded Funds	33,265	32,638	106,604	105,648
Direct Private Equity	—	—	3,367	—
	5,322,025	4,690,750	5,300,312	5,414,006
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST2	7	7	13	13
Fund ST3	209,893	224,089	1,392	1,429
	209,900	224,096	1,405	1,442
Total Investments	\$ 5,531,925	\$ 4,914,846	\$ 5,301,717	\$ 5,415,448

THEMATIC PUBLIC EQUITY FUND

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023			2022		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
		Derivative Assets ^(b)	Derivative Liabilities		Derivative Assets ^(b)	Derivative Liabilities
Currency derivatives						
OTC						
Forwards	16	—	—	—	—	—
Total	\$ 16	\$ —	\$ —	\$ —	\$ —	\$ —

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

	2023	2022
Less than 1 year	\$ 16	\$ —
Total	\$ 16	\$ —

(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 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 companies whose country is included in the Morgan Stanley International All Country World Constituent 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 in the BCI's Canadian and/or U.S. Dollar Money Market Funds; 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 over-the-counter 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	2023						2022					
				Fair Value						Fair Value		
	Notional Value			Derivative Assets		Derivative Liabilities	Notional Value			Derivative Assets		Derivative Liabilities
AAA/AA	\$	16	\$	—	\$	—	\$	—	\$	—	\$	—
Total Derivatives	\$	16	\$	—	\$	—	\$	—	\$	—	\$	—

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, 2023, 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.

2023						
CURRENCY	Net Investments, Derivatives and Investment- Related Receivables/ (Payables)		Net Foreign Currency Contracts Receivable/ (Payable)		Net Exposure	% of Total Net Assets
British Pound Sterling	\$	117,162	\$	—	\$ 117,162	2.1 %
Chinese Yuan		25,226		—	25,226	0.5
Euro		924,586		16	924,602	16.7
Hong Kong Dollar		195,537		—	195,537	3.5
Indian Rupee		27,094		—	27,094	0.5
Indonesian Rupiah		28,383		—	28,383	0.5
Japanese Yen		187,905		—	187,905	3.4
Mexican Peso		117,462		—	117,462	2.1
South Korean Won		126,212		—	126,212	2.3
Swiss Franc		39		—	39	0.0
Taiwan Dollar		143,041		—	143,041	2.6
United States Dollar		3,651,559		(16)	3,651,543	65.8
Net Foreign Exchange Exposure	\$	5,544,206	\$	—	\$ 5,544,206	100.0 %

THEMATIC PUBLIC EQUITY FUND

2022

CURRENCY		Net Investments, Derivatives and Investment- Related Receivables/ (Payables)		Net Foreign Currency Contracts Receivable/ (Payable)		Net Exposure	% of Total Net Assets
Euro	\$	1,210,505	\$	—	\$	1,210,505	22.2 %
Hong Kong Dollar		353,799		—		353,799	6.5
Japanese Yen		220,253		—		220,253	4.0
Mexican Peso		157,793		—		157,793	2.9
South Korean Won		145,630		—		145,630	2.7
Taiwan Dollar		100,294		—		100,294	1.8
United States Dollar		3,207,356		—		3,207,356	58.8
Net Foreign Exchange Exposure	\$	5,395,630	\$	—	\$	5,395,630	98.9 %

As at December 31, 2023, 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 \$55,442 (2022 - \$53,956), representing 1.0% of the Fund's net assets (2022 - 1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 913,391	17.3 %	\$ 832,347	16.0 %
Consumer Staples	387,963	7.3	436,448	8.4
Financials	392,215	7.4	24,978	0.5
Health Care	732,740	13.9	726,629	14.0
Industrials	1,043,277	19.7	845,313	16.3
Information Technology	1,604,698	30.3	1,541,905	29.6
Materials	—	0.0	181,931	3.5
Telecommunication Services	92,939	1.8	357,045	6.9
Utilities	121,537	2.3	243,745	4.7
Total Publicly Traded	5,288,760	100.0	5,190,341	99.9
Financials	—	—	3,367	0.1
Total Direct Private Equity	—	—	3,367	0.1
Total	\$ 5,288,760	100.0 %	\$ 5,193,708	100.0 %

As at December 31, 2023, 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 \$537,988 (2022 - \$535,635) or 9.7% (2022 - 9.8%) 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, 2023 and 2022, 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 are concentrated in the following geographic regions:

GEOGRAPHIC REGION	2023		2022	
	Total	% of Total	Total	% of Total
Canada	\$ —	0.0 %	\$ 54,021	1.0 %
China	195,283	3.7	353,799	6.8
France	252,433	4.8	246,599	4.7
Germany	374,475	7.1	411,467	7.9
India	27,094	0.5	—	0.0
Indonesia	28,383	0.5	—	0.0
Ireland	167,825	3.2	137,121	2.6
Italy	86,238	1.6	139,715	2.7
Japan	187,905	3.6	220,253	4.2
Korea	125,852	2.4	144,926	2.8
Mexico	117,462	2.2	157,561	3.0
Netherlands	—	0.0	79,457	1.5
Singapore	53,374	1.0	79,526	1.5
Spain	69,110	1.3	189,724	3.7
Taiwan	142,428	2.7	99,774	1.9
United Kingdom	117,162	2.2	—	0.0
United States	3,343,736	63.2	2,876,398	55.6
Total Publicly Traded	5,288,760	100.0	5,190,341	99.9
Canada	—	—	3,367	0.1
Total Direct Private Equity	—	—	3,367	0.1
Total	\$ 5,288,760	100.0 %	\$ 5,193,708	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 analyzes 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.

	2023				2022			
	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	\$ 5,288,760	\$ —	\$ —	\$ 5,288,760	\$ 5,190,341	\$ —	\$ —	\$ 5,190,341
Exchange traded funds	33,265	—	—	33,265	106,604	—	—	106,604
Money market funds	209,900	—	—	209,900	1,405	—	—	1,405
Direct private equity investment	—	—	—	—	—	—	3,367	3,367
Total	\$ 5,531,925	\$ —	\$ —	\$ 5,531,925	\$ 5,298,350	\$ —	\$ 3,367	\$ 5,301,717

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 2023 and 2022 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.

	2023	2022
Opening balance, beginning of year	\$ 3,367	\$ 18,786
Total losses recognized in profit or loss	(3,367)	(7,919)
Sales	—	(7,500)
Closing balance, end of year	\$ —	\$ 3,367
Total unrealized losses for the period included in profit or loss related to level 3 investments held at the reporting date	\$ —	\$ (7,919)

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:

2023					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct private equity investment	\$ —	Market approach	Revenue Multiples	—	The estimated fair value would increase (decrease) if the EV multiples were higher (lower).

2022					
	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Sensitivity to Change in Significant Unobservable Input
Direct private equity investment	\$ 3,367	Market approach	Revenue Multiples	7.5	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%.

	2023		2022	
Favourable	\$	—	\$	337
Unfavourable		—		(337)

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 2023 and 2022, 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	2023			2022		
	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	\$ 5,376,227	\$ 209,900	2	\$ 5,865,858	\$ 1,405
Investee funds administered by external manager	1	18,445,808	33,265	1	3,443,310	106,604

GLOBAL QUANTITATIVE ESG EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 631	\$ 16
Withholding tax reclaims receivable	6	741	1,347
Derivative assets:			
Swaps		178,498	49,595
Investments		6,326,847	5,613,125
Total assets		6,506,717	5,664,083
Liabilities			
BCI cost recoveries payable	4	1,197	981
Other accounts payable		42	23
Derivative liabilities:			
Swaps		17,333	97,839
		18,572	98,843
Net assets attributable to holders of redeemable units		\$ 6,488,145	\$ 5,565,240
Number of redeemable units outstanding	5	4,237.991	4,378.960
Net assets attributable to holders of redeemable units per unit		\$ 1,531	\$ 1,271

[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, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Interest income		\$ 271,053	\$ 112,166
Dividend income		3,687	22,805
Securities lending income		3,308	3,886
Other income		10	131
Foreign exchange gain (loss)		18	(416)
Change in fair value of investments and derivatives:			
Net realized gain (loss)		605,569	(698,301)
Net change in unrealized appreciation		253,774	(184,747)
Total revenue (loss)		1,137,419	(744,476)
Expenses			
BCI cost recoveries	4	14,293	10,760
Administrative fees		151	74
Withholding taxes	6	70	—
Total operating expenses		14,514	10,834
Increase (decrease) in net assets attributable to holders of redeemable units before distributions		1,122,905	(755,310)
Distributions to holders of redeemable units		(263,562)	(127,738)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ 859,343	\$ (883,048)

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, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	\$ 5,565,240	\$ 6,010,550
Increase (decrease) in net assets attributable to holders of redeemable units	859,343	(883,048)
Redeemable unit transactions:		
Proceeds from units issued	496,500	480,300
Reinvestment of distributions	263,562	127,738
Amounts paid for units redeemed	(696,500)	(170,300)
Net increase from redeemable unit transactions	63,562	437,738
Balance, end of year	\$ 6,488,145	\$ 5,565,240

GLOBAL QUANTITATIVE ESG EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ 859,343	\$ (883,048)
Adjustments for:		
Foreign exchange (gain) loss	(18)	416
Interest income	(271,053)	(112,166)
Dividend income	(3,687)	(22,805)
Withholding taxes	70	—
Net realized (gain) loss from investments and derivatives	(605,569)	698,301
Net change in unrealized appreciation of investments and derivatives	(253,774)	184,747
Amortization of premiums and discounts	(79,723)	(8,434)
Non cash distributions	263,562	127,738
BCI cost recoveries payable	216	327
Other accounts payable	19	4
Interest received	271,053	112,166
Dividends received	3,687	22,805
Withholding taxes paid	536	(22)
Net sale (purchase) of investments and derivatives	15,935	(429,621)
	200,597	(309,592)
Financing activities		
Proceeds from issuance of redeemable units	496,500	480,300
Payments on redemption of redeemable units	(696,500)	(170,300)
	(200,000)	310,000
Net increase in cash	597	408
Effect of exchange rate changes on cash	18	(416)
Cash, beginning of year	16	24
Cash, end of year	\$ 631	\$ 16

GLOBAL QUANTITATIVE ESG EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Money Market Investments				
Units in BCI Pooled Investment Portfolio				
Fund ST1	\$ 372	\$ 372	\$ 340	\$ 340
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 3 Floating Rate Fund	1,614,810	1,614,326	5,612,785	5,656,270
CORRA 3 Floating Rate Fund	4,711,665	4,711,269	—	—
	6,326,475	6,325,595	5,612,785	5,656,270
Total Investments	\$ 6,326,847	\$ 6,325,967	\$ 5,613,125	\$ 5,656,610

GLOBAL QUANTITATIVE ESG EQUITY FUND

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023			2022		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
		Derivative Assets ^(b)	Derivative Liabilities		Derivative Assets ^(b)	Derivative Liabilities
Equity derivatives						
OTC						
Swaps	\$ 6,365,849	\$ 178,498	\$ (17,333)	\$ 5,605,532	\$ 49,595	\$ (97,839)
Total	\$ 6,365,849	\$ 178,498	\$ (17,333)	\$ 5,605,532	\$ 49,595	\$ (97,839)

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

	2023	2022
Less than 1 year	\$ 6,365,849	\$ 5,605,532
Total	\$ 6,365,849	\$ 5,605,532

(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 in the BCI's Canadian and/or U.S. Dollar Money Market Funds; and
- units in BCI's Floating Rate Funds.

The following restrictions apply to the Fund:

- investments in emerging markets are limited to 10% of the market value of 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 over-the-counter 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	2023						2022					
				Fair Value						Fair Value		
	Notional Value			Derivative Assets	Derivative Liabilities		Notional Value			Derivative Assets	Derivative Liabilities	
AAA/AA	\$ 3,687,083	\$		53,807	\$ (10,862)	\$	3,007,926	\$		38,418	\$ (28,137)	
A	2,678,766			124,691	(6,471)		2,597,606			11,177	(69,702)	
Total Derivatives	\$ 6,365,849	\$		178,498	\$ (17,333)	\$	5,605,532	\$		49,595	\$ (97,839)	

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	2023		2022	
Collateral received	\$	167,636	\$	10,282

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:

2023						
	Carrying value		Less than 1 year		1 to 2 years	Over 2 year
Derivative assets	\$ 178,498	\$	178,498	\$	—	\$
Derivative liabilities	(17,333)		(17,333)		—	—
	\$ 161,165	\$	161,165	\$	—	\$ 161,165

2022						
	Carrying value		Less than 1 year		1 to 2 years	Over 2 year
Derivative assets	\$ 49,595	\$	49,595	\$	—	\$
Derivative liabilities	(97,839)		(97,839)		—	—
	\$ (48,244)	\$	(48,244)	\$	—	\$ (48,244)

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 ESG EQUITY FUND

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.

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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 739,055	11.3 %	\$ 560,782	10.1 %
Consumer Staples	439,728	6.7	428,254	7.7
Energy	259,379	4.0	298,104	5.3
Financials	955,933	14.6	754,464	13.5
Health Care	803,743	12.3	839,084	15.0
Industrials	749,750	11.4	569,944	10.2
Information Technology	1,556,239	23.6	1,163,199	21.0
Materials	243,743	3.7	254,051	4.6
Real Estate	157,996	2.4	147,506	2.6
Telecommunication Services	462,831	7.1	364,902	6.5
Utilities	190,936	2.9	195,449	3.5
Total	\$ 6,559,333	100.0 %	\$ 5,575,739	100.0 %

As at December 31, 2023, 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 \$655,303 (2022 - \$562,515) or 10.1% (2022 - 10.1%) 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, 2023 and 2022, 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	2023		2022	
	Total	% of Total	Total	% of Total
Australia	\$ 134,482	2.1 %	\$ 120,146	2.2 %
Austria	8,746	0.1	16,044	0.3
Belgium	6,273	0.1	8,252	0.1
Brazil	4,097	0.1	2,207	0.0
Chile	1	0.0	(8)	0.0
China	595	0.0	407	0.0
Denmark	53,806	0.8	35,037	0.6
Finland	42,546	0.6	44,735	0.8
France	167,253	2.5	152,468	2.7
Germany	110,133	1.7	114,610	2.1
Hong Kong	33,895	0.5	39,390	0.7
Ireland	2,712	0.0	4,630	0.1
Israel	1,289	0.0	623	0.0
Italy	63,315	1.0	51,002	0.9
Japan	408,320	6.2	365,800	6.6
Korea	(37)	0.0	(46)	0.0
Netherlands	99,026	1.5	101,598	1.8
New Zealand	8,035	0.1	7,253	0.1
Norway	35,051	0.5	20,713	0.4
Portugal	12,017	0.2	16,733	0.3
Singapore	25,935	0.4	24,566	0.4
South Africa	82	0.0	(128)	0.0
Spain	49,569	0.8	45,154	0.8
Sweden	30,767	0.5	29,192	0.5
Switzerland	87,927	1.3	67,841	1.2
United Kingdom	307,326	4.7	289,728	5.2
United States	4,866,172	74.3	4,017,792	72.2
Total	\$ 6,559,333	100.0 %	\$ 5,575,739	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 analyzes 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.

	2023			2022		
	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	\$ 372	\$ —	\$ 372	\$ 340	\$ —	\$ 340
Floating rate funds	6,326,475	—	6,326,475	5,612,785	—	5,612,785
Total investments	6,326,847	—	6,326,847	5,613,125	—	5,613,125
Swaps, net	—	161,165	161,165	—	(48,244)	(48,244)
Total	\$ 6,326,847	\$ 161,165	\$ 6,488,012	\$ 5,613,125	\$ (48,244)	\$ 5,564,881

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 2023 and 2022 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 2023 and 2022, 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	2023			2022		
	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	\$ 2,679,051	\$ 372	1	\$ 1,910,876	\$ 340
Investee floating rate funds administered by BCI	2	7,406,517	6,326,475	1	5,911,422	5,612,785

INDEXED EAFE EQUITY FUND

Statement of Financial Position

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

As at December 31, 2023, with comparative information for 2022

Assets	NOTES	2023	2022
Cash		\$ 2	\$ 3
Derivative assets:			
Swaps		9,864	18,258
Investments		709,662	716,432
Total assets		719,528	734,693
Liabilities			
BCI cost recoveries payable	4	112	75
Other accounts payable		22	13
Derivative liabilities:			
Swaps		—	2,528
		134	2,616
Net assets attributable to holders of redeemable units		\$ 719,394	\$ 732,077
Number of redeemable units outstanding	5	584.850	689.393
Net assets attributable to holders of redeemable units per unit		\$ 1,230	\$ 1,062

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

INDEXED EAFE EQUITY FUND

Statement of Comprehensive Income (Loss)

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022 (note 1)

Revenue	NOTES	2023	2022
Interest income		\$ 31,285	\$ 7,930
Dividend income		507	73
Securities lending income		530	157
Foreign exchange loss		(22)	—
Change in fair value of investments and derivatives:			
Net realized gain		80,345	31,054
Net change in unrealized appreciation		(3,389)	18,034
Total revenue		109,256	57,248
Expenses			
BCI cost recoveries	4	1,346	154
Administrative fees		43	17
Total operating expenses		1,389	171
Increase in net assets attributable to holders of redeemable units before distributions		107,867	57,077
Distributions to holders of redeemable units		(111,256)	(39,043)
Increase (decrease) in net assets attributable to holders of redeemable units		\$ (3,389)	\$ 18,034

INDEXED EAFE EQUITY FUND

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

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of period	\$ 732,077	\$ —
Increase (decrease) in net assets attributable to holders of redeemable units	(3,389)	18,034
Redeemable unit transactions:		
Proceeds from units issued	398,715	675,000
Reinvestment of distributions	111,256	39,043
Amounts paid for units redeemed	(519,265)	—
Net increase (decrease) from redeemable unit transactions	(9,294)	714,043
Balance, end of period	\$ 719,394	\$ 732,077

INDEXED EAFE EQUITY FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	2023	2022
Increase (decrease) in net assets attributable to holders of redeemable units	\$ (3,389)	\$ 18,034
Adjustments for:		
Foreign exchange loss	22	—
Interest income	(31,285)	(7,930)
Dividend income	(507)	(73)
Net realized gain from investments and derivatives	(80,345)	(31,054)
Net change in unrealized appreciation of investments and derivatives	3,389	(18,034)
Amortization of premiums and discounts	(5,246)	(797)
Non cash distributions	111,256	39,043
BCI cost recoveries payable	37	75
Other accounts payable	9	13
Interest received	31,285	7,930
Dividends received	507	73
Net sale (purchase) of investments and derivatives	94,838	(682,277)
	120,571	(674,997)
Financing activities		
Proceeds from issuance of redeemable units	398,715	675,000
Payments on redemption of redeemable units	(519,265)	—
	(120,550)	675,000
Net increase in cash	21	3
Effect of exchange rate changes on cash	(22)	—
Cash, beginning of period	3	—
Cash, end of period	\$ 2	\$ 3

See accompanying Notes to the Financial Statements

INDEXED EAFE EQUITY FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023		2022	
	Fair Value	Cost	Fair Value	Cost
Floating Rate Funds				
Units in BCI Pooled Investment Portfolio				
CDOR 1 Floating Rate Fund	\$ 709,662	\$ 704,881	\$ 716,432	\$ 714,128
Total Investments	\$ 709,662	\$ 704,881	\$ 716,432	\$ 714,128

INDEXED EAFE EQUITY FUND

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2023, with comparative information for 2022

	2023			2022		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
		Derivative Assets ^(b)	Derivative Liabilities		Derivative Assets ^(b)	Derivative Liabilities
Equity derivatives						
OTC						
Swaps	\$ 704,398	\$ 9,864	\$ —	\$ 711,763	\$ 18,258	\$ (2,528)
Total	\$ 704,398	\$ 9,864	\$ —	\$ 711,763	\$ 18,258	\$ (2,528)

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

	2023	2022
Less than 1 year	\$ 704,398	\$ 711,763
Total	\$ 704,398	\$ 711,763

(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 EAFE EQUITY FUND

Financial Risk Management Discussion

(Expressed in thousands of dollars)

The Indexed EAFE Equity Fund (the "Fund") provides clients with broad exposure to developed equity markets (excluding the US and Canada) included within the Fund's benchmark, the Morgan Stanley Capital International ("MSCI") Europe, Australasia, Far East ("EAFE") Net Total Return CAD Index (the "Index"), unhedged. The Fund's performance objective is to replicate the returns of the Index. The Fund is 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 benchmark member companies;
- 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 in the BCI's Canadian and/or U.S. Dollar Money Market Funds and other BCI short-term fixed income pooled funds; and
- units in BCI's Floating Rate Funds.

The following restrictions apply to the Fund:

- investments in individual companies will be held approximately in the same proportion as their weighting in the Index;
- 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 over-the-counter 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 EAFE 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	2023						2022					
				Fair Value						Fair Value		
	Notional Value			Derivative Assets		Derivative Liabilities	Notional Value			Derivative Assets		Derivative Liabilities
A	\$	704,398	\$	9,864	\$	—	\$	711,763	\$	18,258	\$	(2,528)
Total Derivatives	\$	704,398	\$	9,864	\$	—	\$	711,763	\$	18,258	\$	(2,528)

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	2023		2022	
Collateral received	\$	9,864	\$	18,258

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:

2023						
	Carrying value		Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$	9,864	\$	9,864	\$	9,864
Derivative liabilities		—		—		—
	\$	9,864	\$	9,864	\$	9,864

2022						
	Carrying value		Less than 1 year	1 to 2 years	Over 2 year	Total
Derivative assets	\$	18,258	\$	18,258	\$	18,258
Derivative liabilities		(2,528)		(2,528)		(2,528)
	\$	15,730	\$	15,730	\$	15,730

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 EAFE EQUITY FUND

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.

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	2023		2022	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 84,718	11.8 %	\$ 81,259	11.1 %
Consumer Staples	66,690	9.3	76,497	10.5
Energy	31,004	4.3	36,197	5.0
Financials	135,753	18.9	136,304	18.7
Health Care	91,645	12.8	99,027	13.6
Industrials	117,393	16.4	110,013	15.1
Information Technology	61,375	8.6	57,092	7.8
Materials	56,176	7.8	56,982	7.8
Real Estate	17,567	2.5	19,215	2.6
Telecommunication Services	29,237	4.1	32,548	4.3
Utilities	24,849	3.5	25,450	3.5
Total	\$ 716,407	100.0 %	\$ 730,584	100.0 %

As at December 31, 2023, 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 \$71,939 (2022 - \$73,289) or 10.0% (2022 - 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, 2023 and 2022, 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

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

INDEXED EAFE EQUITY FUND

GEOGRAPHIC REGION	2023		2022	
	Total	% of Total	Total	% of Total
Australia	\$ 57,200	8.0 %	\$ 60,453	8.3 %
Austria	1,767	0.2	1,824	0.2 %
Belgium	5,826	0.8	6,452	0.9
Brazil	261	0.0	371	0.1
Chile	374	0.1	376	0.1
China	3,220	0.4	4,701	0.6
Denmark	23,950	3.3	21,671	3.0
Finland	7,727	1.1	9,302	1.3
France	74,815	10.4	81,206	11.1
Germany	60,845	8.5	58,542	8.0
Hong Kong	15,274	2.1	21,735	3.0
Ireland	3,045	0.4	4,298	0.6
Israel	4,316	0.6	4,983	0.7
Italy	16,472	2.3	14,535	2.0
Japan	160,846	22.6	160,322	21.8
Korea	215	0.0	417	0.1
Netherlands	40,091	5.6	38,769	5.3
New Zealand	1,797	0.3	1,743	0.2
Norway	4,392	0.6	5,196	0.7
Portugal	1,314	0.2	1,367	0.2
Singapore	11,209	1.6	11,969	1.6
South Africa	1,413	0.2	2,538	0.3
Spain	18,550	2.6	18,035	2.5
Sweden	22,966	3.2	22,509	3.1
Switzerland	45,866	6.4	42,972	5.9
United Kingdom	78,683	11.0	86,070	11.8
United States	53,973	7.5	48,228	6.6
Total	\$ 716,407	100.0 %	\$ 730,584	100.0 %

INDEXED EAFE 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 analyzes 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.

	2023			2022		
	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
Floating rate funds	\$ 709,662	\$ —	\$ 709,662	\$ 716,432	\$ —	\$ 716,432
Swaps, net	—	9,864	9,864	—	15,730	15,730
Total	\$ 709,662	\$ 9,864	\$ 719,526	\$ 716,432	\$ 15,730	\$ 732,162

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 2023 and 2022 there were no significant transfers between the three levels in the hierarchy.

INDEXED EAFE 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 2023 and 2022, 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	2023			2022		
	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	4,226,726	709,662	1	19,146,224	716,432

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
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
Indexed Global Equity Fund 2	April 12, 2021
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 EAFE Equity Fund	August 10, 2022

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements have been prepared in compliance with IFRS Accounting Standards. These financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on April 16, 2024.

(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 Accounting Standards 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 POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition and measurement

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Funds become a party to the contractual provisions of the instrument. The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when the Funds have a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Funds may irrevocably elect to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

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

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

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

(ii) Fair value through profit or loss

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the Statement of Comprehensive Income in the period in which they occur.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Funds' policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative financial instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of BCI, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iii) Amortized cost

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses.

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

(iv) Classification of financial assets and liabilities

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

FINANCIAL ASSET OR LIABILITY	CLASSIFICATION
Investments	FVTPL
Derivative financial instruments	FVTPL
Redeemable units	FVTPL
Cash	Amortized cost
Receivable from sale of investments	Amortized cost
Receivable from issuance of units	Amortized cost
Dividend receivable	Amortized cost
Interest receivable	Amortized cost
Withholding tax claims receivable	Amortized cost
Other accounts payable	Amortized cost
Payable for purchase of investments	Amortized cost
Payable for redemption of units	Amortized cost
External management fees payable	Amortized cost
BCI cost recoveries payable	Amortized cost

(b) Redeemable Units

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the Regulations, each Fund is required to distribute, to unitholders of the respective Fund's redeemable units, the taxable income and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are recognized in the Statement of Comprehensive Income when they are authorized and no longer at the discretion of BCI.

(c) Issues and redemption of units

Participation in each Fund is expressed in units. The initial value of a unit on inception is \$1 million. For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis. All of the Funds were 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

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

(e) Revenue recognition

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined using the average cost basis of the respective investments.

(f) Fees and commission expense

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

(g) Securities lending

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

(h) Income taxes

The Funds are immune from income taxation in Canada under the Constitution Act. All of a Fund's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders pursuant to the Regulations. Income taxes associated with any of the Funds' underlying investments are accounted for in determining the fair value of the respective investments.

(i) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations as listed below are not yet effective for the year ended December 31, 2023, 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, 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Non-current liabilities with covenants (Amendments to IAS 1)
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

Effective on January 1, 2025:

- Lack of exchangeability – Amendments to IAS 21

4. RELATED PARTY TRANSACTIONS

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

BCI cost recoveries

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

Investments

The Funds enter into investment transactions with related parties in the normal course of business. The terms of the respective purchases and sales are equivalent to those prevailing in an arm's length transaction, with each Fund's interests represented by different BCI personnel.

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.

Capital market debt financing

During the year ended December 31, 2023, BCI issued \$1,250,000 in senior unsecured medium term debt in respect of all assets under management that are held within pooled investment portfolios as defined under the Regulations, excluding real estate and real estate debt funds managed by BCI's wholly owned real estate and real estate debt asset management platform, QuadReal (collectively referred to as the "Combined Funds"). The capital raised from the capital market debt financing is used for general investment purposes. The Funding Program (formerly Leveraged Bond Fund), a Fund within BCI's Fixed Income program, is the holder of the medium term debt and the associated proceeds, in respect of the Combined Funds. Recourse under the senior unsecured medium term debt, including upon the occurrence of an event of default, is limited to the assets of the Combined Funds.

On January 11, 2024, BCI issued an additional \$1,000,000 in Series 1 medium term debt, bearing interest at 4.9% per annum and maturing on June 2, 2033.

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		INDEXED CANADIAN EQUITY FUND	
	2023	2022	2023	2022	2023	2022
Outstanding, beginning of period	181.642	199.172	342.738	528.280	102.922	350.725
Issued for cash	27.273	92.438	13.088	109.324	108.361	45.684
Issued on reinvestment of distributions	20.956	17.206	6.158	73.463	7.036	4.041
Consolidation of units	(20.956)	(17.206)	(6.158)	(73.463)	(7.036)	(4.041)
Redeemed	(17.935)	(109.968)	(51.467)	(294.866)	(24.128)	(293.487)
Outstanding, end of period	190.980	181.642	304.359	342.738	187.155	102.922

	ACTIVE U.S. SMALL CAP EQUITY FUND		ACTIVE GLOBAL EQUITY FUND		GLOBAL QUANTITATIVE ACTIVE EQUITY FUND	
	2023	2022	2023	2022	2023	2022
Outstanding, beginning of period	400.362	400.143	581.604	580.704	75.146	75.146
Issued for cash	181.709	58.211	331.328	28.935	151.635	—
Issued on reinvestment of distributions	7.522	1.198	183.007	14.648	19.188	1.656
Consolidation of units	(7.522)	(1.198)	(183.007)	(14.648)	(19.188)	(1.656)
Redeemed	(299.290)	(57.992)	(471.375)	(28.035)	0.001	—
Outstanding, end of period	282.781	400.362	441.557	581.604	226.782	75.146

	INDEXED GLOBAL EQUITY FUND 1		INDEXED GLOBAL EQUITY FUND 2		ACTIVE EMERGING MARKETS EQUITY FUND	
	2023	2022	2023	2022	2023	2022
Outstanding, beginning of period	4,314.520	1,952.910	106.645	105.461	3,301.500	3,172.320
Issued for cash	894.594	3,870.619	58.875	26.416	438.534	573.112
Issued on reinvestment of distributions	282.035	84.631	9.813	4.385	164.164	83.516
Consolidation of units	(282.035)	(84.631)	(9.813)	(4.385)	(164.164)	(83.516)
Redeemed	(2,742.023)	(1,509.009)	(58.875)	(25.232)	(1,553.003)	(443.932)
Outstanding, end of period	2,467.091	4,314.520	106.645	106.645	2,187.031	3,301.500

	INDEXED EMERGING MARKETS EQUITY FUND		THEMATIC PUBLIC EQUITY FUND		GLOBAL QUANTITATIVE ESG EQUITY FUND	
	2023	2022	2023	2022	2023	2022
Outstanding, beginning of period	5,140.220	4,121.290	1,869.080	1,868.950	4,378.960	4,115.940
Issued for cash	962.757	1,418.350	1,445.242	40.702	366.563	393.143
Issued on reinvestment of distributions	170.263	108.211	61.473	22.177	188.131	93.536
Consolidation of units	(170.263)	(108.211)	(61.473)	(22.177)	(188.131)	(93.536)
Redeemed	(2,008.169)	(399.420)	(1,725.545)	(40.572)	(507.532)	(130.123)
Outstanding, end of period	4,094.808	5,140.220	1,588.777	1,869.080	4,237.991	4,378.960

	INDEXED EAFE EQUITY FUND	
	2023	2022
Outstanding, beginning of period	689.393	—
Issued for cash	334.125	689.393
Issued on reinvestment of distributions	92.000	38.000
Consolidation of units	(92.000)	(38.000)
Redeemed	(438.668)	—
Outstanding, end of period	584.850	689.393

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	2023	2022
Active Global Equity Fund	9.3 %	6.2 %
Global Quantitative Active Equity Fund	0.0 %	1.6 %
Indexed Global Equity Fund 1	1.3 %	1.6 %
Indexed Global Equity Fund 2	13 %	12.4 %
Active Emerging Markets Equity Fund	11.9 %	21.4 %
Indexed Emerging Markets Equity Fund	10.9 %	8.7 %
Thematic Public Equity Fund	5.1 %	11.8 %
Global Quantitative ESG Equity Fund	1.9 %	0.0 %

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.

BCI management monitors credit risk through an internal credit manager program detailing the credit rating of all credit-sensitive financial securities held in public equity funds. Credit risk monitoring entails an evaluation of the credit quality of each issuer and counterparty that transacts with the Funds. To perform this evaluation, BCI management relies on ratings from three recognized credit rating agencies for very short term exposure to counterparties such as brokers. For direct holdings of issuer debt in the long and short term Funds, BCI conducts its own independent credit reviews. Credit reviews are monitored on a quarterly basis through an established credit committee.

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 aims to replace some interbank offered rates ("IBORs") with Risk-Free Rates ("RFRs") for certain products (referred to as "IBOR reform"). The Funds' exposure to IBOR reform is through their investments in bonds and derivatives that are being replaced or reformed as part of this market-wide initiative.

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

BCI established a working group which includes stakeholders from key impacted departments to monitor and manage the Funds' transition to RFRs. The working group evaluates the extent to which operational systems are impacted by the IBOR reform, provides updates and guidance on the transition to relevant stakeholders, and promotes awareness of changes to relevant stakeholders.

For non-derivative financial instruments, BCI continues to identifying agreements referring to IBORs and engaging in a timely contract remediation process with the related counterparties. For derivative financial instruments, the Funds have adhered to the International Swaps and Derivatives Association ("ISDA") Fallbacks Protocol that took effect January 25, 2021, which provides an efficient mechanism to switch to Alternative Benchmark Rates ("ABRs") as IBORs become unavailable.

The following table presents the fair value of non-derivative financial instruments and the notional value of derivative financial instruments referencing IBORs subject to IBOR reform that have yet to transition to ABRs and maturing after the date of permanent cessation as at December 31:

Pooled Investment Portfolios	Non-derivative financial assets	Derivative financial assets (notional)
Indexed Emerging Markets Equity Fund	\$ —	\$ 117,922

(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.

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 Accounting Standards. 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, receivable from issuance of units, dividends receivable, interest receivable, withholding tax claims receivable, payable for purchase of investments, payable for redemption of units, 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 cumulative capital losses and non-capital losses for the Funds with tax losses are as follows as at December 31, 2023:

Pooled Investment Portfolios	Net Capital Losses	Non Capital Losses
Active Canadian Small Cap Equity Fund	\$ 3,719	\$ —
Indexed Emerging Markets Equity Fund	750,473	—
Global Quantitative ESG Equity Fund	90,866	—
Indexed Global Equity Fund 2	263	—

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.

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	
	2023	2022	2023	2022
Active Canadian Equity Fund	\$ 328,742	\$ 434,265	8.9 %	13.9 %
Active Canadian Small Cap Equity Fund	101,086	65,038	12.7	7.5
Indexed Canadian Equity Fund	86,107	47,994	17.4	19.2
Active U.S. Small Cap Equity Fund	613,830	507,080	36.2	26.1
Active Global Equity Fund	235,959	137,156	12.4	6.3
Indexed Global Equity Fund 1	310,383	223,294	4.9	5.0
Indexed Global Equity Fund 2	13,285	6,231	10.4	5.9
Active Emerging Markets Equity Fund	169,114	137,468	3.6	2.2
Indexed Emerging Markets Equity Fund	189,515	146,557	6.0	5.0
Thematic Public Equity Fund	173,566	319,435	3.3	6.0



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