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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**  
**POOLED INVESTMENT PORTFOLIOS**  
**GROUP OF FUNDS**

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Canadian Money Market Fund ST1  
Canadian Money Market Fund ST2  
U.S. Dollar Money Market Fund ST3  
Indexed Government Bond Fund  
Long Term Bond Fund  
British Columbia Focus Fund  
Indexed Canadian Equity Fund  
Active Canadian Equity Fund  
Enhanced Canadian Equity Fund  
Active U.S. Equity Fund  
S & P 500 Index Equity Fund  
Enhanced Indexed U.S. Equity Fund  
U.S. Value Index Equity Fund  
Currency Overlay Fund  
U.S. Currency Hedging Fund

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2006**

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**British Columbia Investment Management Corporation**  
**Pooled Investment Portfolios**

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

British Columbia Investment Management Corporation (bcIMC) manages Pooled Investment Portfolios on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. This report contains the financial statements for the Pooled Investment Portfolios for the years ending March 31, 2006.

The financial statements of the Pooled Investment Portfolios have been prepared by management of bcIMC and approved by the Chief Investment Officer/Chief Executive Officer. All of the financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies used in the preparation of these statements are disclosed in note 2 to the financial statements. The statements include certain amounts that are based on management's judgement and best estimates.

bcIMC's Board has established an Audit Committee. The Committee's mandate includes making recommendations on the appointment of the external auditor for the Pooled Investment Portfolios, and reviewing the annual audited financial statements of the Pooled Investment Portfolios and the internal controls over financial reporting. 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.

bcIMC 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. bcIMC'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 pooled investment portfolio policies and client-approved investment mandates. bcIMC's system of internal control is supported by internal and external auditors who review and evaluate internal controls and report directly to the Audit Committee.

bcIMC's external auditors, KPMG LLP, have full and unrestricted access to the Audit Committee and bcIMC management. KPMG discusses with management and the Committee the results of their audit of the Pooled Investment Portfolios' financial statements and related findings with respect to such audits. Each of the Pooled Investment Portfolio 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 Pooled Investment Portfolio financial statements.



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Doug Pearce  
Chief Executive Officer  
Chief Investment Officer



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David Woodward  
Vice President  
Finance and Operations



**KPMG LLP**  
**Chartered Accountants**  
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Canada

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## AUDITORS' REPORT

To the Unitholders of the following funds managed by British Columbia Investment Management Corporation

Fund ST1	Enhanced Canadian Equity Fund
Fund ST2	Active U.S. Equity Fund
Fund ST3	S & P 500 Index Equity Fund
Indexed Government Bond Fund	Enhanced Indexed U.S. Equity Fund
Long Term Bond Fund	U.S. Value Index U.S. Equity Fund
British Columbia Focus Fund	Currency Overlay Fund
Indexed Canadian Equity Fund	U.S. Currency Hedging Fund
Active Canadian Equity Fund	

(collectively, the "Funds")

We have audited the statements of net assets and investments of the Funds as at March 31, 2006 and their statements of operations and changes in net assets, and, where presented, of cash flows for the year ended March 31, 2006. These financial statements are the responsibility of the Funds' Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Funds' Manager, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the net assets and investments of the Funds as at March 31, 2006, and the results of their operations and changes in their net assets, and, where presented, their cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for March 31, 2005 were reported on by the Auditor General of British Columbia.

Chartered Accountants  
Vancouver, Canada  
August 14, 2006

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**FUND ST1**

**Statement of Net Assets  
as at March 31  
(in thousands except number of units outstanding)**

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 2,346,929	\$ 1,901,558
<b>Liabilities</b>		
bciMC funds management fees payable (note 6)	10	44
Payable for purchase of investments	-	126,460
Custodial fees payable	10	9
Accounts payable	2	9
	<u>22</u>	<u>126,522</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 2,346,907</u>	<u>\$ 1,775,036</u>
Number of units outstanding (note 8)	734.483	571.437
<b>Net asset value per unit</b>	<u>\$ 3,195</u>	<u>\$ 3,106</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets  
for the years ended March 31  
(in thousands)**

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 68,268	\$ 42,152
Expenses (note 6):		
bciMC funds management fees	460	395
Custodial fees	49	36
Administrative and professional fees	5	3
	<u>514</u>	<u>434</u>
<b>Net investment income</b>	67,754	41,718
Net realized gain (loss)	17	(2)
Change in unrealized gain (loss)	<u>(11)</u>	<u>13</u>
<b>Net income from operations</b>	67,760	41,729
Capital Transactions:		
Proceeds from units issued	26,336,375	23,044,867
Amounts paid for units redeemed	<u>(25,832,264)</u>	<u>(22,127,929)</u>
	504,111	916,938
Increase in net assets	571,871	958,667
Net assets, beginning of year	<u>1,775,036</u>	<u>816,369</u>
<b>Net Assets, end of year</b>	<u>\$ 2,346,907</u>	<u>\$ 1,775,036</u>

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**FUND ST1**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Total Cost</u>	<u>Total Fair Value</u>	<u>% of Fair Value</u>
<b>Money Market Investments</b>			
Obligations of, or guaranteed by, Government of Canada	\$ 1,163,611	\$ 1,163,609	49.6%
Obligations of, or guaranteed by, the Province of British Columbia	126,352	126,354	5.4%
Obligations of, or guaranteed by, other provinces	1,056,847	1,056,844	45.0%
Obligations of, or guaranteed by, savings institutions	<u>122</u>	<u>122</u>	<u>0.0%</u>
<b>Total Investments</b>	<u><u>\$ 2,346,932</u></u>	<u><u>\$ 2,346,929</u></u>	<u><u>100.0%</u></u>

All money market investments have a term to maturity within one year and their weighted average yield to maturity is 3.70%.

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**FUND ST2**

**Statement of Net Assets  
as at March 31**

**(in thousands except number of units outstanding)**

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 1,624,569	\$ 3,652,711
Accrued investment income	487	198
	<u>1,625,056</u>	<u>3,652,909</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 6)	5	91
Payable for purchase of investments	48,122	-
Custodial fees payable	14	14
Accounts payable	2	11
	<u>48,143</u>	<u>116</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 1,576,913</u>	<u>\$ 3,652,793</u>
Number of units outstanding (note 8)	478.284	1,140.067
<b>Net asset value per unit</b>	<u>\$ 3,297</u>	<u>\$ 3,204</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets  
for the years ended March 31**

**(in thousands)**

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 62,449	\$ 81,248
Expenses (note 6):		
bclMC funds management fees	575	804
Custodial fees	47	59
Administrative and professional fees	6	9
	<u>628</u>	<u>872</u>
<b>Net investment income</b>	61,821	80,376
Net realized loss	(823)	(207)
Change in unrealized loss	<u>(47)</u>	<u>(801)</u>
<b>Net income from operations</b>	60,951	79,368
Capital Transactions:		
Proceeds from units issued	7,376,550	6,678,674
Amounts paid for units redeemed	<u>(9,513,381)</u>	<u>(6,613,249)</u>
	<u>(2,136,831)</u>	<u>65,425</u>
Increase (decrease) in net assets	(2,075,880)	144,793
Net assets, beginning of year	<u>3,652,793</u>	<u>3,508,000</u>
<b>Net Assets, end of year</b>	<u>\$ 1,576,913</u>	<u>\$ 3,652,793</u>

See accompanying Notes to Financial Statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**FUND ST2**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Total Cost</u>	<u>Total Fair Value</u>	<u>% of Fair Value</u>
<b>Money Market Investments</b>			
Obligations of, or guaranteed by, Government of Canada	\$ 201,674	\$ 201,629	12.4%
Obligations of, or guaranteed by, other provinces	99,530	99,522	6.1%
Obligations of, or guaranteed by, savings institutions	909,184	908,184	55.9%
Commercial paper issued by corporations incorporated under the laws of Canada or a province	<u>415,234</u>	<u>415,234</u>	<u>25.6%</u>
<b>Total Investments</b>	<u><u>\$ 1,625,622</u></u>	<u><u>\$ 1,624,569</u></u>	<u><u>100.0%</u></u>

All money market investments have a term to maturity within one year and their weighted average yield to maturity is 3.96%.

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**FUND ST3**

**Statement of Net Assets  
as at March 31**

**(in thousands except number of units outstanding)**

	<u>2006</u>	<u>2005</u>
	(US \$)	(US \$)
<b>Assets</b>		
Investments at fair value	\$ 90,405	\$ 162,626
Prepaid expenses	1	-
	<u>90,406</u>	<u>162,626</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 6)	-	4
Custodial fees payable	3	3
Accounts payable	2	7
	<u>5</u>	<u>14</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 90,401</u>	<u>\$ 162,612</u>
Number of units outstanding (note 8)	46.397	86.545
<b>Net asset value per unit</b>	<u>\$ 1,948</u>	<u>\$ 1,879</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets  
for the years ended March 31**

**(in thousands)**

	<u>2006</u>	<u>2005</u>
	(US \$)	(US \$)
Investment Income	\$ 4,686	\$ 2,856
Expenses (note 6):		
bclMC funds management fees	51	46
Custodial fees	12	10
Administrative and professional fees	1	5
	<u>64</u>	<u>61</u>
<b>Net investment income</b>	4,622	2,795
Net realized loss	(7)	(9)
Change in unrealized gain (loss)	1	(1)
	<u>1</u>	<u>(1)</u>
<b>Net income from operations</b>	4,616	2,785
Capital Transactions:		
Proceeds from units issued	1,846,468	2,132,974
Amounts paid for units redeemed	(1,923,295)	(2,193,251)
	<u>(76,827)</u>	<u>(60,277)</u>
Decrease in net assets	(72,211)	(57,492)
Net assets, beginning of year	162,612	220,104
<b>Net Assets, end of year</b>	<u>\$ 90,401</u>	<u>\$ 162,612</u>

See accompanying Notes to Financial Statements.



**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**FUND ST3**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Total Cost (US \$)</u>	<u>Total Fair Value (US \$)</u>	<u>% of Fair Value (US \$)</u>
<b>Money Market Investments</b>			
Obligations of, or guaranteed by, Government of Canada	\$ 66,821	\$ 66,821	73.9%
Obligations of, or guaranteed by, savings institutions	19,593	19,592	21.7%
Commercial paper issued by corporations incorporated under the laws of Canada or a province	<u>3,992</u>	<u>3,992</u>	<u>4.4%</u>
<b>Total Investments</b>	<u><u>\$ 90,406</u></u>	<u><u>\$ 90,405</u></u>	<u><u>100.0%</u></u>

All money market investments have a term to maturity within one year and their weighted average yield to maturity is 4.69%.

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**INDEXED GOVERNMENT BOND FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 260,002	\$ 214,551
Receivable from sale of investments	52,023	16,498
Receivable from issue of units	340	60
Accrued investment income	<u>3,104</u>	<u>2,496</u>
	<u>315,469</u>	<u>233,605</u>
<b>Liabilities</b>		
bciMC funds management fees payable (note 6)	-	7
Payable for purchase of investments	56,256	15,557
Payable for redemption of units	-	675
Custodial fees payable	4	2
Accounts payable	<u>2</u>	<u>10</u>
	<u>56,262</u>	<u>16,251</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 259,207</u>	<u>\$ 217,354</u>
Number of units outstanding (note 8)	102.617	90.336
<b>Net asset value per unit</b>	<u>\$ 2,526</u>	<u>\$ 2,406</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 10,269	\$ 9,393
Expenses (note 6):		
bciMC funds management fees	66	71
Custodial fees	13	9
Administrative and professional fees	<u>-</u>	<u>10</u>
	<u>79</u>	<u>90</u>
<b>Net investment income</b>	10,190	9,303
Net realized gain	2,942	3,350
Change in unrealized loss	<u>(2,369)</u>	<u>(1,918)</u>
<b>Net income from operations</b>	10,763	10,735
Capital Transactions:		
Proceeds from units issued	51,431	10,045
Amounts paid for units redeemed	<u>(20,341)</u>	<u>(12,285)</u>
	<u>31,090</u>	<u>(2,240)</u>
Increase in net assets	41,853	8,495
Net assets, beginning of year	<u>217,354</u>	<u>208,859</u>
<b>Net Assets, end of year</b>	<u>\$ 259,207</u>	<u>\$ 217,354</u>

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**INDEXED GOVERNMENT BOND FUND**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	Fair Value						% of Fair Value
	Cost	Term to Maturity				Total	
		Within 1 Year	1-5 Years	Over 5 Years	No Specific Maturity		
<b>Bonds</b>							
Obligations of, or guaranteed by, Government of Canada	\$ 126,599	\$ 3,007	\$ 70,882	\$ 51,994	\$ -	\$ 125,883	48.3%
Obligations of, or guaranteed by, the Province of British Columbia	27,539	-	9,427	18,332	-	27,759	10.7%
Obligations of, or guaranteed by, other provinces	85,519	7,776	20,899	57,909	-	86,584	33.3%
Obligations of Canadian municipalities	15,741	-	-	15,737	-	15,737	6.1%
	<u>255,398</u>	<u>10,783</u>	<u>101,208</u>	<u>143,972</u>	<u>-</u>	<u>255,963</u>	<u>98.4%</u>
<b>Money Market Investments</b>							
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1	4,039	-	-	-	4,039	4,039	1.6%
<b>Total Investments</b>	<u>\$ 259,437</u>	<u>\$ 10,783</u>	<u>\$ 101,208</u>	<u>\$ 143,972</u>	<u>\$ 4,039</u>	<u>\$ 260,002</u>	<u>100.0%</u>
Weighted average yield to maturity on bonds		4.62%	4.20%	4.44%		4.35% <sup>1</sup>	

<sup>1</sup> The total weighted average yield to maturity does not include the money market securities with no specific maturity dates.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**LONG TERM BOND FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 2,243,919	\$ 2,023,969
Receivable from sale of investments	-	60,805
Accrued investment income	30,146	25,692
	<u>2,274,065</u>	<u>2,110,466</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 6)	9	48
Payable for purchase of investments	-	42,468
Custodial fees payable	12	6
Accounts payable	2	10
	<u>23</u>	<u>42,532</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 2,274,042</u>	<u>\$ 2,067,934</u>
Number of units outstanding (note 8)	1,340.927	1,340.927
<b>Net asset value per unit</b>	<u>\$ 1,696</u>	<u>\$ 1,542</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 102,678	\$ 101,985
Expenses (note 6):		
bclMC funds management fees	430	421
Custodial fees	38	29
Administrative and professional fees	4	6
	<u>472</u>	<u>456</u>
<b>Net investment income</b>	102,206	101,529
Net realized gain	104,056	63,089
Change in unrealized gain (loss)	<u>(154)</u>	<u>15,324</u>
<b>Net income from operations</b>	206,108	179,942
Capital Transactions:		
Proceeds from units issued	26,886	37,489
Amounts paid for units redeemed	<u>(26,886)</u>	<u>(37,114)</u>
	<u>-</u>	<u>375</u>
Increase in net assets	206,108	180,317
Net assets, beginning of year	<u>2,067,934</u>	<u>1,887,617</u>
<b>Net Assets, end of year</b>	<u>\$ 2,274,042</u>	<u>\$ 2,067,934</u>

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**LONG TERM BOND FUND**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<b>Cost</b>	<b>Fair Value</b>			<b>Total</b>	<b>% of Fair Value</b>
		<b>Term to Maturity</b>				
		<b>1-5 Years</b>	<b>Over 5 Years</b>	<b>No Specific Maturity</b>		
<b>Bonds</b>						
Obligations of, or guaranteed by, Government of Canada	\$ 1,119,487	\$ 39,746	\$ 1,104,002	\$ -	\$ 1,143,748	51.0%
Obligations of, or guaranteed by, the Province of British Columbia	273,302	-	284,919	-	284,919	12.7%
Obligations of, or guaranteed by, other provinces	699,526	-	790,508	-	790,508	35.2%
	<u>2,092,315</u>	<u>39,746</u>	<u>2,179,429</u>	<u>-</u>	<u>2,219,175</u>	<u>98.9%</u>
<b>Money Market Investments</b>						
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1	24,745	-	-	24,744	24,744	1.1%
<b>Total Investments</b>	<u>\$ 2,117,060</u>	<u>\$ 39,746</u>	<u>\$ 2,179,429</u>	<u>\$ 24,744</u>	<u>\$ 2,243,919</u>	<u>100.0%</u>
<hr/>						
Weighted average yield to maturity on bonds		4.16%	4.50%		4.49% <sup>1</sup>	

<sup>1</sup> The total weighted average yield to maturity does not include the money market securities with no specific maturity dates.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**BRITISH COLUMBIA FOCUS FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 5,528	\$ 5,376
<b>Liabilities</b>		
bclMC funds management fees payable (note 6)	-	3
Accounts payable	<u>3</u>	<u>10</u>
	3	13
<b>Net assets representing unitholders' equity</b>	<u>\$ 5,525</u>	<u>\$ 5,363</u>
Number of units outstanding (note 8)	2,634	2,634
<b>Net asset value per unit</b>	<u>\$ 2,098</u>	<u>\$ 2,036</u>

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 14	\$ 487
Expenses (note 6):		
bclMC funds management fees	13	28
Administrative and professional fees	<u>3</u>	<u>12</u>
	16	40
<b>Net investment income</b>	(2)	447
Net realized gain (loss)	2	(4)
Change in unrealized gain (loss)	<u>162</u>	<u>(1,181)</u>
<b>Net income from operations</b>	162	(738)
Capital Transactions:		
Amounts paid for units redeemed	<u>-</u>	<u>(4,400)</u>
Increase (decrease) in net assets	162	(5,138)
Net assets, beginning of year	<u>5,363</u>	<u>10,501</u>
<b>Net Assets, end of year</b>	<u>\$ 5,525</u>	<u>\$ 5,363</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

See accompanying Notes to Financial Statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**BRITISH COLUMBIA FOCUS FUND**

**Statement of Cash Flows  
for the years ended March 31  
(in thousands)**

	<u>2006</u>	<u>2005</u>
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	\$ 162	\$ (738)
Items not affecting cash:		
Net realized gain (loss)	(2)	4
Change in unrealized gain (loss)	(162)	1,181
	<u>(2)</u>	<u>447</u>
Changes in non-cash operating accounts:		
Receivable from sale of investments	-	2,590
bcIMC funds management fees payable	(3)	1
Accounts payable	(7)	(2)
	<u>(12)</u>	<u>3,036</u>
<b>Cash flows from investing activities</b>		
Proceeds from investments	629	5,903
Purchase of investments	(617)	(4,539)
	<u>12</u>	<u>1,364</u>
<b>Cash flows from financing activities</b>		
Amounts paid for units redeemed	-	(4,400)
<b>Increase in cash</b>	-	-
<b>Cash, beginning of year</b>	-	-
<b>Cash, end of year</b>	<u>\$ -</u>	<u>\$ -</u>

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>Private Equity Investments</b>			
Canadian and preferred stock	\$ 4,157	\$ 4,634	83.8%
<b>Public Equity Investments</b>			
Canadian common stock	43	105	1.9%
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST2	790	789	14.3%
<b>Total Investments</b>	<u>\$ 4,990</u>	<u>\$ 5,528</u>	<u>100.0%</u>

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**INDEXED CANADIAN EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 7,721,484	\$ 8,293,498
Net receivable for variation on futures contracts	-	707
Receivable from sale of investments	21,478	12,343
Receivable from issue of units	200	500
Accrued investment income	13,894	13,862
	<u>7,757,056</u>	<u>8,320,910</u>
<b>Liabilities</b>		
Net payable for variation on futures contracts (Schedule One)	1,469	-
bclMC funds management fees payable (note 6)	102	220
Payable for purchase of investments	9,091	9,739
Payable for redemption of units	108,000	275
Custodial fees payable	47	34
Accounts payable	2	21
	<u>118,711</u>	<u>10,289</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 7,638,345</u>	<u>\$ 8,310,621</u>
Number of units outstanding (note 8)	1,770.493	2,473.793
<b>Net asset value per unit</b>	<u>\$ 4,314</u>	<u>\$ 3,359</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 176,946	\$ 159,038
Expenses (note 6):		
bclMC funds management fees	1,900	1,928
Custodial fees	183	136
Administrative and professional fees	25	55
	<u>2,108</u>	<u>2,119</u>
<b>Net investment income</b>	174,838	156,919
Net realized gain	1,217,173 <sup>1</sup>	202,710 <sup>1</sup>
Change in unrealized gain (loss)	<u>564,342<sup>1</sup></u>	<u>701,217<sup>1</sup></u>
<b>Net income from operations</b>	1,956,353	1,060,846
Capital Transactions:		
Proceeds from units issued	6,755,861	938,787
Amounts paid for units redeemed	<u>(9,384,490)</u>	<u>(1,156,012)</u>
	<u>(2,628,629)</u>	<u>(217,225)</u>
Increase (decrease) in net assets	(672,276)	843,621
Net assets, beginning of year	<u>8,310,621</u>	<u>7,467,000</u>
<b>Net Assets, end of year</b>	<u>\$ 7,638,345</u>	<u>\$ 8,310,621</u>

<sup>1</sup> The net realized gain and change in unrealized gain (loss) includes the following exchange gains (losses):

\$	-	\$	276
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**INDEXED CANADIAN EQUITY FUND**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>Canadian Public Equity Investments</b>			
Common and Preferred Stock:			
Consumer Discretionary	\$ 283,430	\$ 375,970	4.9%
Consumer Staple	176,937	233,219	3.0%
Energy	749,704	1,913,221	24.8%
Financial Services	1,184,858	2,454,817	31.7%
Health Care	101,711	87,516	1.1%
Industrial Products	302,559	435,050	5.6%
Information Technology	638,307	336,712	4.4%
Materials and Processing	778,908	1,220,294	15.8%
Telecommunication Services	299,374	375,130	4.9%
Utilities	59,053	84,192	1.1%
	<u>4,574,841</u>	<u>7,516,121</u>	<u>97.3%</u>
Convertible Debentures (Schedule Two)	6,000	4,692	0.1%
	<u>4,580,841</u>	<u>7,520,813</u>	<u>97.4%</u>
<b>Bonds (Schedule Two)</b>			
Obligations of, or guaranteed by, Government of Canada			
	<u>8,949</u>	<u>8,946</u>	<u>0.1%</u>
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1			
	<u>191,725</u>	<u>191,725</u>	<u>2.5%</u>
<b>Total Investments</b>	<u>\$ 4,781,515</u>	<u>\$ 7,721,484</u>	<u>100.0%</u>

**Schedule One - Net Payable for Variation on Futures Contracts  
as at March 31, 2006**

Type of Contract	No of Contracts	Expiry Date	Notional Value (\$ 000)	Net Receivable (Net Payable) (\$ 000)
S&P Canada 60 Equity Index Futures	800	June 16, 2006	\$109,680	(\$1,469)

\$0.9 million Government of Canada T-Bills, maturing in May and June 2005, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Two - Terms and Weighted Average Yields for Convertible Debentures and Bonds  
as at March 31, 2006**

	Fair Value (\$ 000)	Term to Maturity	Weighted Average Yield to Maturity
Convertible debentures issued by corporations incorporated under the laws of Canada or a province	\$4,692	Over 5 years	4.89%
Obligations of, or guaranteed by, Government of Canada	\$8,946	Within 1 year	3.66%

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ACTIVE CANADIAN EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 5,778,250	\$ 5,317,677
Cash	570	1,127
Receivable from sale of investments	23,673	17,817
Receivable from issue of units	-	400
Accrued investment income	8,366	5,734
	<u>5,810,859</u>	<u>5,342,755</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 6)	69	130
Payable for purchase of investments	25,233	19,540
Payable for redemption of units	-	400
External management fees payable	2,744	2,490
Custodial fees payable	42	35
Accounts payable	2	21
	<u>28,090</u>	<u>22,616</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 5,782,769</u>	<u>\$ 5,320,139</u>
Number of units outstanding (note 8)	943.794	1,079.858
<b>Net asset value per unit</b>	<u>\$ 6,127</u>	<u>\$ 4,927</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 86,538	\$ 73,608
Expenses (note 6):		
bclMC funds management fees	1,121	1,051
External management fees	10,827	9,339
Custodial fees	164	140
Administrative and professional fees	13	35
	<u>12,125</u>	<u>10,565</u>
<b>Net investment income</b>	74,413	63,043
Net realized gain	592,403 <sup>1</sup>	286,214 <sup>1</sup>
Change in unrealized gain (loss)	<u>533,264<sup>1</sup></u>	<u>408,572<sup>1</sup></u>
<b>Net income from operations</b>	1,200,080	757,829
Capital Transactions:		
Proceeds from units issued	66,052	64,988
Amounts paid for units redeemed	<u>(803,502)</u>	<u>(314,988)</u>
	<u>(737,450)</u>	<u>(250,000)</u>
Increase in net assets	462,630	507,829
Net assets, beginning of year	<u>5,320,139</u>	<u>4,812,310</u>
<b>Net Assets, end of year</b>	<u>\$ 5,782,769</u>	<u>\$ 5,320,139</u>

<sup>1</sup> The net realized gain and change in unrealized gain (loss) includes the following exchange gains (losses):

\$	(1,053)	\$	1,502
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ACTIVE CANADIAN EQUITY FUND**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>Canadian Public Equity Investments</b>			
Common and Preferred Stock:			
Consumer Discretionary	\$ 378,827	\$ 453,722	7.9%
Consumer Staple	244,018	317,162	5.5%
Energy	595,321	1,264,564	21.9%
Financial Services	833,759	1,606,387	27.7%
Health Care	121,376	121,722	2.1%
Industrial Products	324,442	546,030	9.4%
Information Technology	402,157	392,386	6.8%
Materials and Processing	355,085	483,794	8.4%
Telecommunication Services	180,383	247,561	4.3%
Utilities	18,013	23,957	0.4%
	<u>3,453,381</u>	<u>5,457,285</u>	<u>94.4%</u>
Mutual Funds	147,418	185,285	3.2%
	<u>3,600,799</u>	<u>5,642,570</u>	<u>97.6%</u>
<b>Canadian Private Equity Investments</b>			
Common Stock	1,061	223	0.0%
<b>Bonds (Schedule One)</b>			
Obligations of, or guaranteed by, Government of Canada, or savings institutions			
	101,425	101,418	1.8%
Obligations issued by corporations incorporated under the laws of Canada or a province			
	32,165	32,163	0.6%
	<u>133,590</u>	<u>133,581</u>	<u>2.4%</u>
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1			
	1,876	1,876	0.0%
<b>Total Investments</b>	<u>\$ 3,737,326</u>	<u>\$ 5,778,250</u>	<u>100.0%</u>

**Schedule One - Terms and Weighted Average Yields for Bonds  
as at March 31, 2006**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligation of, or guaranteed by, Government of Canada, or savings institutions	\$101,418	Within 1 year	3.79%
Obligations issued by corporations incorporated under the laws of Canada or a province	\$32,163	Within 1 year	3.80%

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ENHANCED CANADIAN EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	2006	2005
<b>Assets</b>		
Investments at fair value	\$ 1,320,965	\$ 263,058
Net receivable for variation on futures contracts	-	58
Cash	893	282
Receivable from sale of investments	785	1,782
Receivable from issue of units	20,000	-
Accrued investment income	2,271	445
	<u>1,344,914</u>	<u>265,625</u>
<b>Liabilities</b>		
Net payable for variation on futures contracts (Schedule One)	211	-
bciMC funds management fees payable (note 6)	19	16
Payable for purchase of investments	855	1,907
Payable for redemption of units	-	-
External management fees payable	338	83
Custodial fees payable	20	13
Accounts payable	2	7
	<u>1,445</u>	<u>2,026</u>
<b>Net assets representing unitholders' equity</b>	<b><u>\$ 1,343,469</u></b>	<b><u>\$ 263,599</u></b>
Number of units outstanding (note 8)	661.705	167.068
<b>Net asset value per unit</b>	<b><u>\$ 2,030</u></b>	<b><u>\$ 1,578</u></b>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	2006	2005
Investment Income	\$ 16,334	\$ 3,145
Expenses (note 6):		
bciMC funds management fees	259	171
External management fees	799	315
Custodial fees	71	50
Administrative and professional fees	5	8
	<u>1,134</u>	<u>544</u>
<b>Net investment income</b>	<b>15,200</b>	<b>2,601</b>
Net realized gain	36,970	9,118
Change in unrealized gain (loss)	<u>122,395</u>	<u>14,763</u>
<b>Net income from operations</b>	<b>174,565</b>	<b>26,482</b>
Capital Transactions:		
Proceeds from units issued	923,286	102,320
Amounts paid for units redeemed	<u>(17,981)</u>	<u>(2,160)</u>
	<u>905,305</u>	<u>100,160</u>
Increase in net assets	1,079,870	126,642
Net assets, beginning of year	<u>263,599</u>	<u>136,957</u>
<b>Net Assets, end of year</b>	<b><u>\$ 1,343,469</u></b>	<b><u>\$ 263,599</u></b>

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ENHANCED CANADIAN EQUITY FUND**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>Canadian Public Equity Investments</b>			
Common and Preferred Stock:			
Consumer Discretionary	\$ 60,709	\$ 64,679	4.9%
Consumer Staple	33,151	32,742	2.5%
Energy	271,562	322,992	24.4%
Financial Services	361,522	414,884	31.3%
Health Care	16,366	16,572	1.3%
Industrial Products	61,304	73,141	5.5%
Information Technology	55,389	58,987	4.5%
Materials and Processing	185,333	225,270	17.1%
Telecommunication Services	62,912	63,758	4.8%
Utilities	20,452	19,652	1.5%
	<u>1,128,700</u>	<u>1,292,677</u>	<u>97.8%</u>
Exchange Traded Funds	2,080	2,255	0.2%
	<u>1,130,780</u>	<u>1,294,932</u>	<u>98.0%</u>
<b>Bonds (Schedule Two)</b>			
Obligations of, or guaranteed by, Government of Canada, or savings institutions	1,344	1,344	0.1%
Obligations issued by corporations incorporated under the laws of Canada or a province	991	991	0.1%
	<u>2,335</u>	<u>2,335</u>	<u>0.2%</u>
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1	23,698	23,698	1.8%
<b>Total Investments</b>	<u>\$ 1,156,813</u>	<u>\$ 1,320,965</u>	<u>100.0%</u>

**Schedule One - Net Payable for Variation on Futures Contracts  
as at March 31, 2006**

Type of Contract	No of Contracts	Expiry Date	Notional Value (\$ 000)	Net Receivable (Net Payable) (\$ 000)
S&P Canada 60 Equity Index Futures	170	June 16, 2006	\$23,307	(\$211)

\$1 million Government of Canada T-Bills, maturing in June 2005, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Two - Terms and Weighted Average Yields for Bonds  
as at March 31, 2006**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligations of, or guaranteed by, Government of Canada, or savings institutions	\$1,344	Within 1 year	3.85%
Obligations issued by corporations incorporated under the laws of Canada or a province	\$991	Within 1 year	3.85%

See accompanying Notes to Financial Statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ACTIVE U.S. EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	2006	2005
<b>Assets</b>		
Investments at fair value	\$ 2,643,681	\$ 2,179,881
Cash	54,549	62,261
Receivable from sale of investments	18,956	16,291
Receivable from issue of units	54,000	-
Accrued investment income	2,682	2,310
Withholding taxes receivable	110	60
	<u>2,773,978</u>	<u>2,260,803</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 6)	33	60
Payable for purchase of investments	67,736	14,599
External management fees payable	2,828	2,933
Custodial fees payable	64	60
Accounts payable	2	16
	<u>70,663</u>	<u>17,668</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 2,703,315</u>	<u>\$ 2,243,135</u>
Number of units outstanding (note 8)	641.552	593.929
<b>Net asset value per unit</b>	<u>\$ 4,214</u>	<u>\$ 3,777</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	2006	2005
Investment Income	\$ 45,548	\$ 41,633
Expenses (note 6):		
bclMC funds management fees	531	527
External management fees	10,581	10,177
Custodial fees	257	259
Administrative and professional fees	-	14
	<u>11,369</u>	<u>10,977</u>
<b>Net investment income</b>	34,179	30,656
Net realized gain	106,855 <sup>1</sup>	18,818 <sup>1</sup>
Change in unrealized gain (loss)	<u>125,146<sup>1</sup></u>	<u>(84,585)<sup>1</sup></u>
<b>Net income (loss) from operations</b>	266,180	(35,111)
Capital Transactions:		
Proceeds from units issued	231,463	138,861
Amounts paid for units redeemed	<u>(37,463)</u>	<u>(138,711)</u>
	<u>194,000</u>	<u>150</u>
Increase (decrease) in net assets	460,180	(34,961)
Net assets, beginning of year	<u>2,243,135</u>	<u>2,278,096</u>
<b>Net Assets, end of year</b>	<u>\$ 2,703,315</u>	<u>\$ 2,243,135</u>

<sup>1</sup> The net realized gain and change in unrealized gain (loss) includes the following exchange gains (losses):

\$ 102,682	\$ 187,031
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ACTIVE U.S. EQUITY FUND**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>U.S. Public Equity Investments</b>			
Common and Preferred Stock:			
Consumer Discretionary	\$ 386,654	\$ 395,366	15.0%
Consumer Staple	179,225	188,691	7.1%
Energy	178,193	239,730	9.1%
Financial Services	416,173	446,742	16.9%
Health Care	370,796	364,895	13.8%
Industrial Products	250,699	298,768	11.3%
Information Technology	485,078	504,230	19.0%
Materials and Processing	67,640	73,918	2.8%
Telecommunication Services	68,300	70,276	2.7%
Utilities	50,071	52,947	2.0%
	<u>2,452,829</u>	<u>2,635,563</u>	<u>99.7%</u>
Convertible Debentures (Schedule One)	-	11	0.0%
	<u>2,452,829</u>	<u>2,635,574</u>	<u>99.7%</u>
<b>Bonds (Schedule One)</b>			
Obligations issued by corporations incorporated under the laws of Canada or a province			
	<u>7,324</u>	<u>7,395</u>	<u>0.3%</u>
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST1	17	17	0.0%
Fund ST3	883	695	0.0%
	<u>900</u>	<u>712</u>	<u>0.0%</u>
<b>Total Investments</b>	<u>\$ 2,461,053</u>	<u>\$ 2,643,681</u>	<u>100.0%</u>

**Schedule One - Terms and Weighted Average Yields for Bonds  
as at March 31, 2006**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligations issued by corporations incorporated under the laws of Canada or a province	\$7,395	Within 1 year	4.83%

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**S & P 500 INDEX EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	2006	2005
<b>Assets</b>		
Investments at fair value	\$ 5,541,932	\$ 1,973,876
Cash	-	685
Receivable from sale of investments	36,289	-
Receivable from issue of units	10,100	375
Accrued investment income	6,439	2,608
Withholding taxes receivable	46	48
	<u>5,594,806</u>	<u>1,977,592</u>
<b>Liabilities</b>		
Net payable for variation on futures contracts (Schedule One)	115	26
bciMC funds management fees payable (note 6)	67	53
Payable for purchase of investments	42,318	7
Payable for redemption of units	100	-
Custodial fees payable	31	10
Accounts payable	2	17
	<u>42,633</u>	<u>113</u>
<b>Net assets representing unitholders' equity</b>	<u><b>\$ 5,552,173</b></u>	<u><b>\$ 1,977,479</b></u>
Number of units outstanding (note 8)	1,451.697	557.407
<b>Net asset value per unit</b>	<u><b>\$ 3,825</b></u>	<u><b>\$ 3,548</b></u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	2006	2005
Investment Income	\$ 90,936	\$ 47,378
Expenses (note 6):		
bciMC funds management fees	864	528
Custodial fees	172	77
Administrative and professional fees	1	19
	<u>1,037</u>	<u>624</u>
<b>Net investment income</b>	89,899	46,754
Net realized gain (loss)	(5,565) <sup>1</sup>	16,527 <sup>1</sup>
Change in unrealized gain (loss)	<u>190,436<sup>1</sup></u>	<u>(94,708)<sup>1</sup></u>
<b>Net income (loss) from operations</b>	274,770	(31,427)
Capital Transactions:		
Proceeds from units issued	5,410,553	228,277
Amounts paid for units redeemed	<u>(2,110,629)</u>	<u>(496,213)</u>
	<u>3,299,924</u>	<u>(267,936)</u>
Increase (decrease) in net assets	3,574,694	(299,363)
Net assets, beginning of year	<u>1,977,479</u>	<u>2,276,842</u>
<b>Net Assets, end of year</b>	<u><b>\$ 5,552,173</b></u>	<u><b>\$ 1,977,479</b></u>

<sup>1</sup> The net realized gain (loss) and change in unrealized gain (loss) includes the following exchange gains (losses):

\$ (167,913)	\$ (172,704)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**S & P 500 INDEX EQUITY FUND**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>U.S. Public Equity Investments</b>			
Common and Preferred Stock:			
Consumer Discretionary	\$ 581,983	\$ 560,704	10.1%
Consumer Staple	493,131	511,194	9.2%
Energy	435,757	536,318	9.7%
Financial Services	1,050,777	1,157,498	21.0%
Health Care	705,104	710,491	12.8%
Industrial Products	564,440	634,031	11.4%
Information Technology	904,576	876,313	15.8%
Materials and Processing	147,617	168,405	3.0%
Telecommunication Services	208,379	182,329	3.3%
Utilities	177,618	173,764	3.1%
	<u>5,269,382</u>	<u>5,511,047</u>	<u>99.4%</u>
<b>Bonds (Schedule Two)</b>			
Obligations of, or guaranteed by, Government of Canada, or savings institutions	<u>5,082</u>	<u>5,201</u>	<u>0.1%</u>
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST3	<u>25,580</u>	<u>25,684</u>	<u>0.5%</u>
<b>Total Investments</b>	<u>\$ 5,300,044</u>	<u>\$ 5,541,932</u>	<u>100.0%</u>

**Schedule One - Net Payable for Variation on Futures Contracts  
as at March 31, 2006**

No of Contracts	Type of Contracts	Expiry Date	Notional Value (\$ 000)	Net Payable (\$ 000)
105	S&P 500 Equity Index	June 16, 2006	\$39,928	(\$115)

\$5.2 million Government of Canada T-Bills, maturing in June 2005, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Two - Terms and Weighted Average Yields for Bonds  
as at March 31, 2006**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligations of, or guaranteed by, Government of Canada, or savings institutions	\$5,201	Within 1 year	4.74%

See accompanying Notes to Financial Statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ENHANCED INDEXED U.S. EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	2006	2005
<b>Assets</b>		
Investments at fair value	\$ 585,615	\$ 177,012
Cash	-	60
Receivable from sale of investments	76,243	-
Accrued investment income	698	234
	<u>662,556</u>	<u>177,306</u>
<b>Liabilities</b>		
bciMC funds management fees payable (note 6)	13	8
Payable for purchase of investments	76,592	-
External management fees payable	-	10
Custodial fees payable	16	1
Accounts payable	2	9
	<u>76,623</u>	<u>28</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 585,933</u>	<u>\$ 177,278</u>
Number of units outstanding (note 8)	344.105	113.335
<b>Net asset value per unit</b>	<u>\$ 1,703</u>	<u>\$ 1,564</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	2006	2005
Investment Income	\$ 6,178	\$ 3,358
Expenses (note 6):		
bciMC funds management fees	215	50
External management fees	-	294
Custodial fees	74	5
Administrative and professional fees	2	10
	<u>291</u>	<u>359</u>
<b>Net investment income</b>	5,887	2,999
Net realized gain (loss)	8,420 <sup>1</sup>	(27,684) <sup>1</sup>
Change in unrealized gain (loss)	15,583 <sup>1</sup>	21,719 <sup>1</sup>
<b>Net income (loss) from operations</b>	29,890	(2,966)
Capital Transactions:		
Proceeds from units issued	397,565	4,298
Amounts paid for units redeemed	(18,800)	(4,298)
	<u>378,765</u>	<u>-</u>
Increase (decrease) in net assets	408,655	(2,966)
Net assets, beginning of year	<u>177,278</u>	<u>180,244</u>
<b>Net Assets, end of year</b>	<u>\$ 585,933</u>	<u>\$ 177,278</u>

<sup>1</sup> The net realized gain (loss) and change in unrealized gain (loss) includes the following exchange gains (losses):

\$	(6,365)	\$	(15,696)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ENHANCED INDEXED U.S. EQUITY FUND**

**Statement of Investments**  
**as at March 31, 2006**  
**(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>U.S. Public Equity Investments</b>			
Common and Preferred Stock:			
Consumer Discretionary	\$ 59,198	\$ 58,863	10.1%
Consumer Staple	53,511	53,757	9.2%
Energy	53,208	56,264	9.6%
Financial Services	118,762	121,299	20.6%
Health Care	73,818	74,585	12.7%
Industrial Products	63,462	66,758	11.4%
Information Technology	88,262	90,654	15.5%
Materials and Processing	16,547	17,635	3.0%
Telecommunication Services	18,338	19,139	3.3%
Utilities	18,658	18,180	3.1%
	<u>563,764</u>	<u>577,134</u>	<u>98.5%</u>
Exchange Traded Funds	7,754	7,934	1.4%
	<u>571,518</u>	<u>585,068</u>	<u>99.9%</u>
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST1	50	50	0.0%
Fund ST3	494	497	0.1%
	<u>544</u>	<u>547</u>	<u>0.1%</u>
<b>Total Investments</b>	<u>\$ 572,062</u>	<u>\$ 585,615</u>	<u>100.0%</u>

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**U.S. VALUE INDEX EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in thousands except number of units outstanding)

	2006	2005
<b>Assets</b>		
Investments at fair value	\$ 1,083,180	\$ 982,234
Net receivable for variation on futures contracts	-	5
Cash	-	676
Receivable from issue of units	5,858	521
Accrued investment income	1,502	1,083
Withholding taxes receivable	28	30
	<u>1,090,568</u>	<u>984,549</u>
<b>Liabilities</b>		
Net payable for variation on futures contracts (Schedule One)	10	-
bclMC funds management fees payable (note 6)	17	30
Payable for purchase of investments	6,006	892
Custodial fees payable	10	5
Accounts payable	2	13
	<u>6,045</u>	<u>940</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 1,084,523</u>	<u>\$ 983,609</u>
Number of units outstanding (note 8)	673.734	677.073
<b>Net asset value per unit</b>	<u>\$ 1,610</u>	<u>\$ 1,453</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets**

for the years ended March 31

(in thousands)

	2006	2005
Investment Income	\$ 24,582	\$ 23,424
Expenses (note 6):		
bclMC funds management fees	304	315
Custodial fees	46	42
Administrative and professional fees	3	10
	<u>353</u>	<u>367</u>
<b>Net investment income</b>	24,229	23,057
Net realized gain (loss)	2,926	(4,434)
Change in unrealized gain (loss)	<u>78,633</u>	<u>(3,624)</u>
<b>Net income from operations</b>	105,788	14,999
Capital Transactions:		
Proceeds from units issued	101,599	6,086
Amounts paid for units redeemed	<u>(106,473)</u>	<u>(223,952)</u>
	<u>(4,874)</u>	<u>(217,866)</u>
Increase (decrease) in net assets	100,914	(202,867)
Net assets, beginning of year	<u>983,609</u>	<u>1,186,476</u>
<b>Net Assets, end of year</b>	<u>\$ 1,084,523</u>	<u>\$ 983,609</u>

<sup>1</sup> The net realized gain (loss) and change in unrealized gain (loss) includes the following exchange gains (losses):

\$	(58,456)	\$	(85,844)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**U.S. VALUE INDEX EQUITY FUND**

**Statement of Investments  
as at March 31, 2006  
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>U.S. Public Equity Investments</b>			
Common and Preferred Stock:			
Consumer Discretionary	\$ 116,439	\$ 89,879	8.3%
Consumer Staple	51,833	51,036	4.7%
Energy	78,314	90,190	8.3%
Financial Services	341,872	339,719	31.4%
Health Care	37,482	44,064	4.1%
Industrial Products	155,516	162,489	15.0%
Information Technology	114,929	99,334	9.2%
Materials and Processing	48,964	53,431	4.9%
Telecommunication Services	100,084	68,625	6.3%
Utilities	64,680	59,947	5.5%
	<u>1,110,113</u>	<u>1,058,714</u>	<u>97.7%</u>
Exchange Traded Funds	21,415	22,495	2.1%
	<u>1,131,528</u>	<u>1,081,209</u>	<u>99.8%</u>
<b>Bonds (Schedule Two)</b>			
Obligations of, or guaranteed by, Government of Canada	226	231	0.0%
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST3	1,724	1,740	0.2%
<b>Total Investments</b>	<u>\$ 1,133,478</u>	<u>\$ 1,083,180</u>	<u>100.0%</u>

**Schedule One - Net Payable for Variation on Futures Contracts  
as at March 31, 2006**

<u>No of Contracts</u>	<u>Type of Contracts</u>	<u>Expiry Date</u>	<u>Notional Value (\$ 000)</u>	<u>Net Payable (\$ 000)</u>
14	S&P/Barra Value Index	June 16, 2006	\$2,800	(\$10)

\$0.2 million Government of Canada T-Bills, maturing in June 2005, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Two - Terms and Weighted Average Yields for Bonds  
as at March 31, 2006**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligations of, or guaranteed by, Government of Canada, or savings institutions	\$231	Within 1 year	4.74%

See accompanying Notes to Financial Statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**CURRENCY OVERLAY FUND**

**Statement of Net Assets  
as at March 31**

**(in thousands except number of units outstanding)**

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 120,846	\$ 89,417
Prepaid expenses	2	-
	<u>120,848</u>	<u>89,417</u>
<b>Liabilities</b>		
Unrealized loss on foreign currency contracts (Schedule One)	9,437	7,095
bclMC funds management fees payable (note 6)	-	3
External management fees payable	1,212	431
Custodial fees payable	21	22
Accounts payable	5	4
	<u>10,675</u>	<u>7,555</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 110,173</u>	<u>\$ 81,862</u>
Number of units outstanding (note 8)	34.884	24.266
<b>Net asset value per unit</b>	<u>\$ 3,158</u>	<u>\$ 3,374</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets  
for the years ended March 31**

**(in thousands)**

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 3,003	\$ 1,696
Expenses (note 6):		
bclMC funds management fees	99	61
External management fees	3,127	1,708
Custodial fees	92	78
Administrative and professional fees	14	4
	<u>3,332</u>	<u>1,851</u>
<b>Net investment income</b>	(329)	(155)
Net realized gain (loss)	(7,254) <sup>1</sup>	8,217 <sup>1</sup>
Change in unrealized gain (loss)	(2,342) <sup>1</sup>	(8,380) <sup>1</sup>
<b>Net loss from operations</b>	(9,925)	(318)
Capital Transactions:		
Proceeds from units issued	38,236	6,464
Amounts paid for units redeemed	-	(6,464)
	<u>38,236</u>	<u>-</u>
Increase (decrease) in net assets	28,311	(318)
Net assets, beginning of year	<u>81,862</u>	<u>82,180</u>
<b>Net Assets, end of year</b>	<u>\$ 110,173</u>	<u>\$ 81,862</u>

<sup>1</sup> The net realized gain (loss) and change in unrealized gain (loss) includes the following exchange gains (losses):

\$	(9,596)	\$	(163)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**CURRENCY OVERLAY FUND**

**Statement of Investments**  
as at March 31, 2006  
(in thousands)

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST3	<u>\$ 120,846</u>	<u>\$ 120,846</u>	<u>100.0%</u>

**Schedule One - Unrealized Loss on Foreign Currency Contracts**  
as at March 31, 2006  
(in thousands)

<u>No of Contracts</u>	<u>Expiry Dates</u>	<u>Notional Value</u>	<u>Unrealized Gain (Loss)</u>
39	May 15, 2006	\$ 926,528	\$ (3,958)
19	June 15, 2006	446,645	(2,155)
<u>348</u>	June 21, 2006	<u>671,884</u>	<u>(3,324)</u>
<u>406</u>		<u>\$ 2,045,057</u>	<u>\$ (9,437)</u>

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**U.S. CURRENCY HEDGING FUND**

**Statement of Net Assets  
as at March 31**

**(in thousands except number of units outstanding)**

	<u>2006</u>	<u>2005</u>
<b>Assets</b>		
Investments at fair value	\$ 372,151	\$ 45,038
Unrealized gain on foreign currency contracts	-	12,521
Prepaid expenses	2	-
	<u>372,153</u>	<u>57,559</u>
<b>Liabilities</b>		
Unrealized loss on foreign currency contracts (Schedule One)	34,457	-
bclMC funds management fees payable (note 6)	-	3
Accounts payable	6	5
	<u>34,463</u>	<u>8</u>
<b>Net assets representing unitholders' equity</b>	<u>\$ 337,690</u>	<u>\$ 57,551</u>
Number of units outstanding (note 8)	104.910	28.835
<b>Net asset value per unit</b>	<u>\$ 3,219</u>	<u>\$ 1,996</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets  
for the years ended March 31  
(in thousands)**

	<u>2006</u>	<u>2005</u>
Investment Income	\$ 5,051	\$ 564
Expenses (note 6):		
bclMC funds management fees	138	23
Custodial fees	4	1
Administrative and professional fees	26	4
	<u>168</u>	<u>28</u>
<b>Net investment income</b>	4,883	536
Net realized gain	154,112 <sup>1</sup>	11,107 <sup>1</sup>
Change in unrealized gain (loss)	(39,348) <sup>1</sup>	12,528 <sup>1</sup>
<b>Net income from operations</b>	119,647	24,171
Capital Transactions:		
Proceeds from units issued	198,917	35,109
Amounts paid for units redeemed	(38,425)	(1,729)
	<u>160,492</u>	<u>33,380</u>
Increase in net assets	280,139	57,551
Net assets, beginning of year	57,551	-
<b>Net Assets, end of year</b>	<u>\$ 337,690</u>	<u>\$ 57,551</u>

<sup>1</sup> The net realized gain and change in unrealized gain (loss) includes the following exchange gains (losses):

	\$ 107,286	\$ 23,622
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**U.S. CURRENCY HEDGING FUND**

**Statement of Investments**  
as at March 31, 2006  
(in thousands)

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
<b>U.S. Public Equity Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
S&P 500 Index Equity Fund	\$ 331,626	\$ 339,282	91.2%
<b>Money Market Investments</b>			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST3	32,888	32,869	8.8%
<b>Total Investments</b>	<u>\$ 364,514</u>	<u>\$ 372,151</u>	<u>100.0%</u>

**Schedule One - Unrealized Loss on Foreign Currency Contracts**  
as at March 31, 2006  
(in thousands)

<u>No of Contracts</u>	<u>Expiry Dates</u>	<u>Notional Value</u>	<u>Unrealized Gain (Loss)</u>
18	April 2006	\$ 1,200,996	\$ (10,197)
14	May 2006	1,102,000	(18,351)
24	June 2006	1,428,895	(6,905)
6	July 2006	350,000	996
<u>62</u>		<u>\$ 4,081,891</u>	<u>\$ (34,457)</u>

*See accompanying Notes to Financial Statements.*

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
 POOLED INVESTMENT PORTFOLIOS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2006**

**1. The Portfolios**

British Columbia Investment Management Corporation ("bcIMC") was established under the *Public Sector Pension Plans Act* as a trust company authorized to carry on trust business and investment management services. These financial statements have been prepared by bcIMC and are the responsibility of bcIMC management.

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, bcIMC may establish and operate pooled investment portfolios "... 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, pooled investment portfolios previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, to be held in trust by bcIMC and invested by the Chief Investment Officer of bcIMC.

The Pooled Investment Portfolios have the following investment mandates and were established on the following dates:

<b>Portfolio Fun</b>	<b>Investment Mandate</b>	<b>Date Established</b>
Fund ST1	Canadian money market investments maturing within one month	April 21, 1986
Fund ST2	Canadian money market investments maturing within 15 months	September 19, 1986
Fund ST3	U.S. money market investments maturing within one month	August 1, 1990
Indexed Government Bond Fund	Canadian federal and provincial government bonds with varying maturing dates	September 1, 1993
Long Term Bond Fund	Canadian federal and provincial government bonds with longer maturity dates	February 1, 1999
British Columbia Focus Fund	Private debt and equity investments in Canadian companies situated in British Columbia	March 31, 1994
Indexed Canadian Equity Fund	Securities comprising the S&P/TSX Composite Index	December 12, 1989
Active Canadian Equity Fund	Diversified portfolio of publicly traded Canadian securities	July 26, 1990
Enhanced Canadian Equity Fund	Diversified portfolio of publicly traded Canadian securities	November 27, 2002
Active U.S. Equity Fund	Diversified portfolio of publicly traded U.S. securities	October 20, 1993
S & P 500 Index Equity Fund	Securities comprising the Standard and Poor's 500 Composite Index	February 6, 1995
Enhanced Indexed U.S. Equity Fund	Diversified portfolio of publicly traded U.S. securities	September 1, 1998
U.S. Value Index Equity Fund	Securities comprising the Standard and Poor's/BARRA Value Index	October 13, 2000
Currency Overlay Fund	Spot market, forward contracts, futures, and/or options to achieve desired currency exposure	October 8, 2002
U.S. Currency Hedging Fund	Spot market, forward contracts, and/or futures to achieve desired currency exposure	June 23, 2003

**2. Significant Accounting Policies**

a) Basis of Presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Where the pooled investment portfolio or its investee have a controlling interest in another investment company, the financial statements have been prepared on a consolidated basis as required under Accounting Guideline 18 and include the assets, liabilities, and income from operations of the investment.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006**

**2. Significant Accounting Policies (continued)**

Inter-organization accounts and transactions are eliminated upon consolidation. Where the pooled investment portfolio or its investee do not have a controlling interest in another investment company, the investment is shown as a portfolio investment at fair value.

A Statement of Cash Flow was not prepared for the pooled investment portfolios where substantially all of the investments are considered highly liquid as the required information is adequately disclosed in the Statement of Operations and Changes in Net Assets.

Certain comparative figures have been reclassified to conform to the current year's presentation.

b) Valuation

Investments and investment-related receivables and liabilities are stated at fair value. Fair value is an estimate of the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties under no compulsion to act.

Fair value is determined as follows:

- (i) Money market securities values are derived from external market quotations.
- (ii) Bonds, debentures, real return bonds, and public equities (including exchange traded funds) are valued at their closing sale price on the valuation date. Securities not traded on that date are valued at the mean price between the latest bid and asked price. Securities not listed on any stock exchange, or which are traded over-the-counter, are valued in the same manner based on available public quotations from recognized dealers in such securities or at the price estimated by the fund manager to be the fair value. Forward foreign currency contracts are valued at the prevailing forward exchange rates on the valuation date.
- (iii) Derivatives, including equity index futures contracts and foreign currency contracts, are valued based on the quoted market prices for the underlying assets.
- (iv) Private market investments within the British Columbia Focus Fund are held directly, through limited partnerships or through some other co-ownership arrangement. Where quoted market prices are not available, fair value is determined based on the carrying value and other relevant information reported by external managers of the investments. These carrying values are determined by the external managers using accepted industry valuation methods, such as earnings multiples of comparable publicly traded companies, discounted cash flows, and third party transactions or other events that suggest a significant change in the value of the investment, and are reviewed by bcIMC management. In the first year of ownership, cost is generally considered to be an appropriate estimate of fair value unless there is evidence of a significant change in value.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2006**

**2. Significant Accounting Policies (Continued)**

c) Income Recognition

Investment transactions are accounted for on a trade date basis. Dividend income is recognized on the ex-dividend date and interest income on the accrual basis. Income on foreign investments is reported net of withholding tax expense. Pursuit costs and brokerage commissions are initially capitalized into the cost of the related investment. The daily cash settlement on the equity index futures, including brokerage commissions and miscellaneous expenses on the purchase and sale of the contracts, is recorded as investment income.

Gains (losses) on the settlement of foreign currency contracts, translation gains (losses) on foreign denominated monetary balances and investments, and gains (losses) on the sale of investments are recorded as realized gains (losses). Gain (loss) on the sale of investments is calculated as the difference between the sales proceeds and cost, less related disposition costs. The year-over-year change in the difference between the fair value and the cost of the investments and foreign currency contracts held at year end is recognized as an unrealized gain (loss).

The cost used for the calculation of realized gain (loss) and change in unrealized gain (loss) is based on historical cost for private placements and foreign exchange contracts, average cost for equities, and amortized cost for money market securities and bonds. The amortized cost is the cost of acquisition adjusted by amortization of discounts and premiums on a true constant yield basis over the terms of the investments for money market securities and bonds.

d) Issue and Redemption of Units

Participation in each pooled investment portfolio is expressed in units, each unit giving its holder a proportionate share in the net assets of the respective pooled investment portfolio. The value of a unit of a pooled investment portfolio is \$1 million on establishment (U.S. \$ 1million for the Fund ST3, the Active U.S. Equity Fund, the S & P 500 Equity Fund, the Enhanced Indexed U.S. Equity Fund and the U.S. Value Index Equity Fund). 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 pooled investment portfolio invests in another pooled investment portfolio, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis.

Most pooled investment portfolios are open-ended funds where the number of units available for issue is unlimited and the proportion of units issued or redeemed by each client on a particular valuation date depends on changes to their desired asset allocation. However, the British Columbia Focus Fund is a closed-end fund where participation is limited to a prescribed set of unitholders with a specified proportionate share in the net assets at the time the fund was established. All unit transactions for closed-ended pools are participated in by the prescribed set of unitholders based on their pro-rata basis of participation.

e) Foreign Currency Translation

The financial statements of the pooled investment portfolios are presented in Canadian dollars except for Fund ST3, which is presented in U.S. dollars. Assets, liabilities and commitments in foreign currencies are translated into Canadian dollars at the fiscal year-end exchange rate. Investment income and expenses, and purchases and sales of investments are translated at the rate prevailing on the respective dates of such transactions. Realized gain (loss) and change in unrealized gain (loss) includes foreign currency translation gains (losses), which have been footnoted and disclosed in each respective Statement of Operations and Changes in Net Assets.

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**2. Significant Accounting Policies (continued)**

f) Income Taxes

Under paragraph 104(6) of the *Income Tax Act (Canada)*, the pooled investment portfolios may deduct from their taxable income any amounts that are distributed to beneficiaries (i.e. unitholders) and taxable in their hands. All income and net taxable capital gains earned by the pooled investment portfolio are distributed to the unitholders through actual cash distributions or an increase in the tax cost of the units prior to the end of the calendar year, resulting in no Canadian taxes payable for the pooled investment portfolios. The corporations held by the pooled investment portfolios are exempt from Canadian tax under section 149 (o.2) of the *Income Tax Act (Canada)*

The income earned by the pooled investment portfolios and the corporations held by them are exempt from U.S. tax under Section 892 of the *Internal Revenue Code* unless that income earned is effectively connected to a trade or business in the U.S. None of the pooled investment portfolios or the corporations held by them is subject to U.S. tax on the basis of earning effectively connected income in the U.S.

g) Use of Estimates

Financial statements prepared in conformity with Canadian generally accepted accounting principles require management to make certain estimates and assumptions that can affect the reported balances. In determining the fair value of some of its investments, particularly real estate and private placements, management relies on external appraisers' or fund managers' assumptions regarding investment industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. If the underlying assumptions change, the reported fair values may change by a material amount.

**3. Changes in Accounting Policy**

- a) bcIMC has adopted Accounting Guideline 18 (AcG-18), effective January 1, 2004. Where an investment company has a controlling interest in another investment company (as defined in AcG-18), the underlying investment company should be accounted for on a consolidated basis, or using either proportionate consolidation or the equity method, as appropriate. Otherwise, the investment company should be recorded as a portfolio investment at its fair value. The adoption of AcG-18 did not result in any change to the total assets, total liabilities or net assets as at January 1, 2004.
- b) Effective this fiscal year, the pooled investment portfolios adopted Accounting Guideline 15 - Consolidation of Variable Interest Entities (AcG-15). AcG-15 defines a variable interest entity (VIE) as an entity that either does not have sufficient equity at risk to finance its activities without additional financial support or where the holders of the equity at risk lack the characteristics of a controlling interest. Under AcG-15, the primary beneficiary of a VIE is required to consolidate its interest in the VIE, and is defined as the party that will absorb or receive the majority (defined as greater than 50%) of the VIE's expected losses, expected residual returns, or both. None of the pooled investment portfolios are primary beneficiaries in any VIEs at year end.

Under AcG-15, note disclosure is required where a party has a significant interest in a VIE, which is defined as the party that will absorb a significant portion (defined as 20% - 49%) of the expected losses of the entity, expected residual returns of the entity or both. None of the pooled investment portfolios have a significant interest in any VIE at year end.

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**4. Financial Instruments**

Financial instruments are legally enforceable agreements between two or more parties, expressing a contractual right or a right to a payment of money. Financial instruments held by the pooled investment portfolios include derivatives, investments and the investment-related assets and liabilities. Financial instruments are exposed to foreign currency, interest rate, market and credit risks.

a) Foreign Currency Risk

The pooled investment portfolios are exposed to currency risk through holding of investments, investment receivables, and investment liabilities in various currencies. Fluctuations in the relative value of the Canadian dollar (U.S. dollar for Fund ST3) against these foreign currencies can result in a positive or negative effect on the fair value of the investments, investment receivables, and investment liabilities. The pooled investment portfolios use foreign currency contracts to hedge some foreign currency exposure on investment receivables and liabilities, and engage in the buying and selling of currencies through the spot market, forward contracts, equity index futures contracts, and/or options in order to achieve the desired currency exposure. The net currency exposure is shown in the Statements of Investments for the pooled investment portfolios that hold investments, investment receivables and investment liabilities denominated in foreign currencies.

b) Interest Rate Risk

Interest rate risk refers to the effect on the market value of the assets and liabilities due to fluctuations in both long-term and short-term changes in nominal and real interest rates. The pooled investment portfolios that primarily hold money market securities and bonds have established duration bands based on their relevant benchmark to avoid undue interest rate risk. The terms to maturity, average effective yield and the nature of the investment are shown in the Statements of Investments for money market securities and bonds to provide further information on interest rate risk.

c) Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in the market conditions, whether those changes are caused by factors specific to the individual investment or factors affecting all investments. There are established investment criteria for each pooled investment portfolio related to diversification of investments and investment mandates for the external managers to avoid undue market risk. The Statements of Investments show the percentage of investments held in particular industry sectors for publicly traded Canadian and U.S. equities and for mortgages to provide further information on market risk.

d) Credit Risk

The pooled investment portfolios are exposed to a credit risk if a borrower defaults or becomes insolvent or if a party fails to deliver under a contract and the rights to any claims become unenforceable. To avoid undue credit risk, the pooled investment portfolios have established specific investment criteria, such as minimum credit ratings for investees and counterparties and maximum concentrations with given counterparties. The Statements of Investments show the percentage of money market and bond investments held with a particular group of counterparties (i.e. Government of Canada, Province of British Columbia, other provinces or corporations) to provide further information on credit risk.

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**4. Financial Instruments (continued)**

e) Fair Value of Investment-Related Assets and Liabilities

Each pooled investment portfolio's investments and derivatives are carried at fair value. The investment-related assets and liabilities are carried at cost. In the opinion of bcIMC, the fair values of the investment-related assets and liabilities approximate their carrying values given their short-term nature.

**5. Derivatives**

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets or indices. Derivative transactions are conducted in the over-the-counter market directly between the two counterparties or on regulated exchange markets. The pooled investment portfolios use derivative financial instruments, when appropriate, to assist in the management of financial risks, including interest rate, foreign currency, and market risks. The financial derivative contracts entered into by the pooled investment portfolios included equity index futures contracts and foreign currency contracts.

Equity Index Futures Contracts

Equity index futures contracts are exchange-traded contracts to either buy or sell specified equity indices at a specified price at a date in the future. In the case of equity index futures contracts, the notional value is the value if the holder were to take possession of the underlying asset represented by the contracts. Rather than taking possession of the underlying assets, the contracts are subject to daily cash settlement of the changes in the notional value. The outstanding daily cash settlement amounts as at March 31, 2006 for each pooled investment portfolio that holds equity index futures contracts is recorded as a Net Receivable or Net Payable for Variation on Futures Contracts on the Statements of Net Assets. The number of contracts, type of contracts, and settlement dates are shown in the schedules, following the Statement of Investments, for each pooled investment portfolio that holds them.

Foreign Currency Contracts

Foreign currency contracts are agreements to exchange a specified amount of one currency for another currency on a specific date in the future for a specified price. In the case of foreign currency contracts, the notional value represents the amount to be exchanged on the future contract date. The fair value of the foreign currency contracts is calculated as the difference between the amount to be exchanged on the future contract date and the amount that would be exchanged using the prevailing forward foreign currency rates. The unrealized gains (losses) on the unexpired foreign currency contracts as at March 31, 2006 are shown as Unrealized Gains or Unrealized Losses on Foreign Currency Contracts on the Statements of Net Assets. The number of foreign currency contracts and respective expiry dates are shown in the schedules, following the Statement of Investments, for each pooled investment portfolio that holds them.

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**6. Expenses**

Custodial fees are applicable to the bond funds and equity funds. Where management fees are incurred directly by the pooled investment portfolio, they are reported on the financial statements of the fund as external management fees. For the British Columbia Focus Fund, management fees are expenses of the various underlying partnership investments rather than the pooled investment portfolios and not shown on the pooled fund financial statements (unless the underlying partnership is consolidated under AcG-15).

Third party costs that are attributable to a specific pooled investment portfolio are charged to that portfolio and thereby shared on a pro-rata basis by the portfolio unitholders. Other costs initially borne by bcIMC are recovered from the various pooled investment portfolios in which clients participate by charging management fees, which are calculated on a cost recovery basis.

**7. Termination of Pooled Investment Portfolios**

On July 1, 2005, the net assets of the North American Equity Fund were sold and the pooled investment portfolio was terminated. On August 25, 2005, the net assets of the U.S. Equity Derivatives Fund were sold and the pooled investment portfolio was terminated. The units of these pooled investment portfolios were redeemed at an amount equal to the fair value of the net assets sold. The following table shows the net assets sold and income earned by the pooled investment portfolio for the period:

<b>Pooled Investment Portfolios</b>	<b>Net Assets Transferred (in \$ millions)</b>	<b>Net Investment Income (in \$ millions)</b>	<b>Net Realized Gain (Loss) (in \$ millions)</b>	<b>Change in Unrealized Gain (Loss) (in \$ millions)</b>
North American Equity Fund	8,206	42	1,171	( 935)
U.S. Equity Derivatives Fund	364	88	(14)	19

**8. Units Outstanding**

The number of portfolio units available for issue is unlimited, except for the British Columbia Focus Fund. The British Columbia Focus Fund is a closed-end fund, which was limited in participation to a prescribed set of unitholders at the time the fund was established. The British Columbia Focus Fund has not issued new units of investment since September 1, 1994. The following is a summary of the changes in units outstanding during the year:

	<b>FUND ST1</b>		<b>FUND ST2</b>		<b>FUND ST3</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Outstanding, beginning of year	571.437	286.706	1,140.067	1,120.083	86.545	119.099
Issued	8,367.158	7,508.297	2,271.560	2,109.831	969.142	1,146.493
Redeemed	(8,204.112)	(7,205.566)	(2,933.343)	(2,089.847)	(1,009.290)	(1,179.047)
Outstanding, end of year	<u>734.483</u>	<u>571.437</u>	<u>478.284</u>	<u>1,140.067</u>	<u>46.397</u>	<u>86.545</u>



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**8. Units Outstanding**

	<b>INDEXED GOVERNMENT BOND FUND</b>		<b>LONG TERM BOND FUND</b>		<b>BRITISH COLUMBIA FOCUS FUND</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Outstanding, beginning of year	90.336	91.243	1,340.927	1,340.653	2.634	4.459
Issued	20.425	4.372	15.894	25.475	-	-
Redeemed	(8.144)	(5.279)	(15.894)	(25.201)	-	(1.825)
Outstanding, end of year	<u>102.617</u>	<u>90.336</u>	<u>1,340.927</u>	<u>1,340.927</u>	<u>2.634</u>	<u>2.634</u>
	<b>INDEXED CANADIAN EQUITY FUND</b>		<b>ACTIVE CANADIAN EQUITY FUND</b>		<b>ENHANCED CANADIAN EQUITY FUND</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Outstanding, beginning of year	2,473.793	2,544.544	1,079.858	1,138.546	167.068	100.221
Issued	1,936.671	328.952	11.386	14.893	504.073	71.081
Redeemed	(2,639.971)	(399.703)	(147.450)	(73.581)	(9.436)	(4.234)
Outstanding, end of year	<u>1,770.493</u>	<u>2,473.793</u>	<u>943.794</u>	<u>1,079.858</u>	<u>661.705</u>	<u>167.068</u>
	<b>NORTH AMERICAN EQUITY FUND (note 7)</b>		<b>ACTIVE U.S. EQUITY FUND</b>		<b>S &amp; P 500 INDEX EQUITY FUND</b>	
	<b>2006 (note 7)</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Outstanding, beginning of year	6,073.377	6,841.888	593.929	593.888	557.407	632.386
Issued	6.834	116.793	56.971	35.573	1,470.764	61.935
Redeemed	(6,080.211)	(885.304)	(9.348)	(35.532)	(576.474)	(138.914)
Outstanding, end of year	<u>-</u>	<u>6,073.377</u>	<u>641.552</u>	<u>593.929</u>	<u>1,451.697</u>	<u>557.407</u>

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**8. Units Outstanding (continued)**

	<b>ENHANCED INDEXED U.S. EQUITY FUND</b>		<b>U.S. VALUE INDEX EQUITY FUND</b>		<b>U.S. EQUITY DERIVATIVES FUND</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006 (note 7)</b>	<b>2005</b>
Outstanding, beginning of year	113.335	113.335	677.073	823.945	2,150.654	1,970.474
Issued	242.302	2.736	68.464	4.103	-	258.217
Redeemed	(11.532)	(2.736)	(71.803)	(150.975)	(2,150.654)	(78.037)
Outstanding, end of year	<u>344.105</u>	<u>113.335</u>	<u>673.734</u>	<u>677.073</u>	<u>-</u>	<u>2,150.654</u>
	<b>CURRENCY OVERLAY FUND</b>		<b>U.S. CURRENCY HEDGING FUND</b>			
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>		
Outstanding, beginning of year	24.266	24.266	28.835	-		
Issued	10.618	1.771	96.688	29.574		
Redeemed	-	(1.771)	(20.613)	(0.739)		
Outstanding, end of year	<u>34.884</u>	<u>24.266</u>	<u>104.910</u>	<u>28.835</u>		