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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)  
US Dollar Money Market Fund (ST3)  
Global Government Bond Fund  
British Columbia Focus Fund  
Indexed Canadian Equity Fund  
Active Canadian Equity Fund  
Enhanced Indexed Canadian Equity Fund  
Active U.S. Equity Fund  
Indexed U.S. Equity Fund  
Enhanced Indexed U.S. Equity Fund  
Indexed U.S. Value Equity Fund  
U.S. Social Index Fund  
Active Emerging Markets Equity Fund  
U.S. Dollar Currency Hedging Fund  
Japanese Yen Currency Hedging Fund  
Euro Currency Hedging Fund

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**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

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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 following Pooled Investment Portfolios for the years (or periods) ending March 31, 2010:

Canadian Money Market Fund (ST1)	Active Canadian Equity Fund	U.S. Social Index Fund (formerly U.S. Social Index Equity Fund)
Canadian Money Market Fund (ST2)	Enhanced Indexed Canadian Equity Fund	Active Emerging Markets Equity Fund
US Dollar Money Market Fund (ST3)	Active U.S. Equity Fund	U.S. Dollar Currency Hedging Fund
Global Government Bond Fund	Indexed U.S. Equity Fund (formerly S & P 500 Index Equity Fund)	Japanese Yen Currency Hedging Fund
British Columbia Focus Fund	Enhanced Indexed U.S. Equity Fund	Euro Currency Hedging Fund
Indexed Canadian Equity Fund	Indexed U.S. Value Equity Fund (formerly U.S. Value Index Equity Fund)	

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, reviewing the external audit plan; reviewing bcIMC's Report on Controls Placed in Operation and Tests of Operating Effectiveness of Controls for the Investment System of British Columbia Investment Management Corporation, and receiving the annual audited financial statements of the Pooled Investment Portfolios. 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 & Operations

Victoria, British Columbia  
July 16, 2010



**KPMG LLP**  
**Chartered Accountants**  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada

Telephone (604) 691-3000  
Fax (604) 691-3031  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT

To the unitholders of the following funds managed by British Columbia Investment Management Corporation (the Manager):

Canadian Money Market Fund (ST1)	Indexed U.S. Equity Fund (formerly S & P 500 Index Equity Fund)
Canadian Money Market Fund (ST2)	Enhanced Indexed U.S. Equity Fund
US Dollar Money Market Fund (ST3)	Indexed U.S. Value Equity Fund (formerly U.S. Value Index Equity Fund)
Global Government Bond Fund	U.S. Social Index Fund (formerly U.S. Social Index Equity Fund)
British Columbia Focus Fund	Active Emerging Markets Equity Fund
Indexed Canadian Equity Fund	U.S. Dollar Currency Hedging Fund
Active Canadian Equity Fund	Japanese Yen Currency Hedging Fund
Enhanced Indexed Canadian Equity Fund	Euro Currency Hedging Fund
Active U.S. Equity Fund	

(collectively, the Funds)

We have audited the statements of net assets and of investments of the Funds as at March 31, 2010 and their statements of operations and changes in net assets, and of cash flows for the year (or shorter period since establishment as indicated in note 1) ended March 31, 2010. 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 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, 2010, and the results of their operations, the changes in their net assets, and their cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Vancouver, Canada  
July 16, 2010

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

**CANADIAN MONEY MARKET FUND (ST1)**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	2,042,178	4,318,803
Accounts receivable	-	31
	<u>2,042,178</u>	<u>4,318,834</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 8)	33	-
Custodial fees payable	10	10
Accounts payable	5	4
	<u>48</u>	<u>14</u>
<b>Net assets representing unitholders' equity</b>	<u>2,042,130</u>	<u>4,318,820</u>
Number of units outstanding (note 10)	<u>572,799</u>	<u>1,214,300</u>
<b>Net asset value per unit</b>	<u>3,565</u>	<u>3,557</u>

Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	9,028	58,960
Expenses (note 8):		
bclMC funds management fees	895	633
Custodial fees	59	50
Administrative and professional fees	5	5
	<u>959</u>	<u>688</u>
<b>Net investment income</b>	<u>8,069</u>	<u>58,272</u>
Realized and unrealized gains (losses):		
Net realized gain	97	305
Change in unrealized loss	(4)	(2)
	<u>93</u>	<u>303</u>
<b>Net income from operations</b>	<u>8,162</u>	<u>58,575</u>
Capital Transactions:		
Proceeds from units issued	44,413,461	40,746,135
Amounts paid for units redeemed	(46,698,313)	(40,067,599)
	<u>(2,284,852)</u>	<u>678,536</u>
Increase (decrease) in net assets	(2,276,690)	737,111
Net assets, beginning of year	<u>4,318,820</u>	<u>3,581,709</u>
<b>Net Assets, end of year</b>	<u>2,042,130</u>	<u>4,318,820</u>

See accompanying Notes to Financial Statements.

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

**CANADIAN MONEY MARKET FUND (ST1)**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income from operations	8,162	58,575
Items not affecting cash:		
Amortization of premiums and discounts	(6,403)	(57,473)
Net realized loss (gain)	(97)	(305)
Change in unrealized loss (gain)	4	2
	<u>1,666</u>	<u>799</u>
Changes in non-cash operating accounts:		
Accounts receivable	31	(31)
bclMC funds management fees payable	33	(41)
Accounts payable	1	1
	<u>1,731</u>	<u>728</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	661,216,971	586,525,235
Amounts paid for purchase of investments	<u>(658,933,850)</u>	<u>(587,204,499)</u>
	<u>2,283,121</u>	<u>(679,264)</u>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	44,413,461	40,746,135
Amounts paid for units redeemed	<u>(46,698,313)</u>	<u>(40,067,599)</u>
	<u>(2,284,852)</u>	<u>678,536</u>
<b>Net 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  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Bonds:</b>				
Provincial Government	-	-	40,002	40,005
<b>Money Market Investments:</b>				
Federal Government	644,927	644,921	99,999	99,998
Provincial Government	789,734	789,742	60,833	60,832
Municipal Government	114,777	114,780	-	-
Corporate	492,740	492,740	4,117,969	4,117,969
	<u>2,042,178</u>	<u>2,042,183</u>	<u>4,278,801</u>	<u>4,278,799</u>
<b>Total Investments</b>	<u>2,042,178</u>	<u>2,042,183</u>	<u>4,318,803</u>	<u>4,318,804</u>

See accompanying Notes to Financial Statements.

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

**CANADIAN MONEY MARKET FUND (ST1)**

**Financial Risk Management Discussion  
as at March 31**

The Canadian Money Market Fund (ST1) (the Fund) invests in very short term debt securities that are issued, insured, or guaranteed by, a Canadian government and assumes minimal risk. The investment objective of the Fund is to exceed the returns of the benchmark (the DEX 30 Day Treasury Bill Index) by 5 basis points or more per annum, net of all expenses incurred. The primary goals are to minimize market risk and maximize liquidity.

The Fund can hold the following securities:

- fixed income securities that are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government,
- repurchase agreement investments secured by fixed income securities which are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government, and
- swapped deposits (fully hedged US pay securities of Canadian issuers that meet investment guideline criteria).

The maximum term to maturity of the securities is 45 days.

Note 6 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**

As at March 31, the Fund invested in fixed income instruments with the following credit ratings:

INVESTMENTS BY CREDIT RATING (\$000s)	2010		2009	
	Total	% of Total	Total	% of Total
AAA/AA	1,891,898	92.6%	4,257,970	98.6%
A	150,280	7.4%	60,833	1.4%
<b>Total Investments</b>	<b>2,042,178</b>	<b>100.0%</b>	<b>4,318,803</b>	<b>100.0%</b>

**Financial Risk Management Discussion (continued)  
as at March 31**

**Interest Rate Risk**

As at March 31, 2010 and March 31, 2009, the Fund invested in fixed income instruments with terms to maturity within 45 days.

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 \$1,082,000 (2009 -\$43,000). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Other Price Risk**

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

**Currency Risk**

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

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. During 2010 and 2009, there were no significant transfers between Level 1 and Level 2. As at March 31, 2010 and March 31, 2009, all of the investments were valued using observable inputs (Level 2).

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

**CANADIAN MONEY MARKET FUND (ST2)**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	1,999,320	2,234,338
Accounts receivable	-	1
Accrued investment income	1,007	-
	<u>2,000,327</u>	<u>2,234,339</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 8)	31	-
Payable for purchase of investments	149,883	36,959
Custodial fees payable	15	14
Accounts payable	5	4
	<u>149,934</u>	<u>36,977</u>
<b>Net assets representing unitholders' equity</b>	<u>1,850,393</u>	<u>2,197,362</u>
Number of units outstanding (note 10)	<u>495,008</u>	<u>591,346</u>
<b>Net asset value per unit</b>	<u>3,738</u>	<u>3,716</u>

Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	11,943	94,990
Expenses (note 8):		
bclMC funds management fees	658	952
Custodial fees	45	70
Administrative and professional fees	5	5
	<u>708</u>	<u>1,027</u>
<b>Net investment income</b>	<u>11,235</u>	<u>93,963</u>
Realized and unrealized gains (losses):		
Net realized gain	3,842	19,242
Change in unrealized loss	(2,899)	(295)
	<u>943</u>	<u>18,947</u>
<b>Net income from operations</b>	<u>12,178</u>	<u>112,910</u>
Capital Transactions:		
Proceeds from units issued	7,939,957	10,898,278
Amounts paid for units redeemed	(8,299,104)	(11,369,350)
	<u>(359,147)</u>	<u>(471,072)</u>
Decrease in net assets	(346,969)	(358,162)
Net assets, beginning of year	<u>2,197,362</u>	<u>2,555,524</u>
<b>Net Assets, end of year</b>	<u>1,850,393</u>	<u>2,197,362</u>



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

**CANADIAN MONEY MARKET FUND (ST2)**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income from operations	12,178	112,910
Items not affecting cash:		
Amortization of premiums and discounts	(5,489)	(81,162)
Net realized loss (gain)	(3,842)	(19,242)
Change in unrealized loss (gain)	2,899	295
	5,746	12,801
Changes in non-cash operating accounts:		
Accounts receivable	1	(1)
Accrued investment income	(1,007)	-
bcIMC funds management fees payable	31	(37)
Payable for purchase of investments	112,924	36,959
Custodial fees payable	1	-
Accounts payable	1	1
	117,697	49,723
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	54,966,288	67,274,472
Amounts paid for purchase of investments	(54,724,838)	(66,853,199)
	241,450	421,273
<b>Cash flows from financing activities</b>		
Proceeds from units issued	7,939,957	10,898,278
Amounts paid for units redeemed	(8,299,104)	(11,369,350)
	(359,147)	(471,072)
<b>Net decrease in cash</b>	-	(76)
<b>Cash, beginning of year</b>	-	76
<b>Cash, end of year</b>	-	-

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Bonds:</b>				
Federal Government	-	-	25,228	25,219
Provincial Government	109,992	110,003	126,265	126,215
Corporate	100,698	100,756	98,811	98,527
	210,690	210,759	250,304	249,961
<b>Money Market Investments:</b>				
Federal Government	1,149,202	1,149,304	1,703,900	1,702,419
Provincial Government	79,960	79,965	-	-
Municipal Government	45,476	45,479	9,995	9,992
Corporate	513,992	513,991	270,139	269,245
	1,788,630	1,788,739	1,984,034	1,981,656
<b>Total Investments</b>	1,999,320	1,999,498	2,234,338	2,231,617

See accompanying Notes to Financial Statements.

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

**CANADIAN MONEY MARKET FUND (ST2)**

**Financial Risk Management Discussion  
as at March 31**

The Canadian Money Market Fund (ST2) (the Fund) invests in government and corporate debt securities, including commercial paper. The investment objective of the Fund is to exceed the returns of the benchmark (the DEX 91 Day Treasury Bill Index) by 25 basis points or more per annum, net of all expenses incurred.

The Fund can hold the following securities:

- fixed income securities that are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government,
- Canadian dollar denominated fixed income securities issued or guaranteed by a sovereign government,
- Canadian dollar denominated fixed income securities issued or guaranteed by a supranational entities including, but not limited to, the World Bank, the International Bank for Reconstruction and Development, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank and Inter-American Development bank,
- corporate bonds, issued in Canadian dollars,
- corporate commercial paper, issued in Canadian dollars,
- asset-backed securities, issued in Canadian dollars,
- unrated Canadian dollar denominated corporate paper (i.e. debt issued by credit unions),
- repurchase agreement investments secured by fixed income securities which are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government, and
- swapped deposits (fully hedged US pay securities of Canadian issuers that meet investment guideline criteria).

The following restrictions apply to the Fund:

- Not more than 10 percent of the money market investments can be invested in one corporation with the exception that the Fund may hold up to 15 percent of the Fund's assets in any one Schedule One bank.

Corporate and government short term debt securities issued by non-Canadian entities held by the Fund shall be rated A-1 (Low) or better by Standard & Poor's

**Financial Risk Management Discussion (continued)  
as at March 31**

or have an equivalent rating from another credit rating agency.

- The maximum term to maturity of the securities is 15 months.
- Not more than 25% of the total Fund can be invested in corporate commercial paper rated A-1 (Low).

Note 6 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**

As at March 31, the Fund invested in fixed income instruments with the following credit ratings:

INVESTMENTS BY MATURITY DATE (\$000s)	2010		2009	
	Total	% of Total	Total	% of Total
AAA/AA	1,431,127	71.6%	1,985,358	88.9%
A	332,931	16.7%	167,589	7.5%
Unrated	235,262	11.7%	81,391	3.6%
<b>Total Investments</b>	<b>1,999,320</b>	<b>100.0%</b>	<b>2,234,338</b>	<b>100.0%</b>

**Interest Rate Risk**

As at March 31, the Fund invested in fixed income instruments with terms to maturity within a year and an average effective yield 0.33% (2009 – 0.49%).

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 \$4,660,000 (2009 - \$6,480,000). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Other Price Risk**

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

**Currency Risk**

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

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

**CANADIAN MONEY MARKET FUND (ST2)**

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments as of March 31:

(\$000s)	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
<b>Money Market Investments</b>	-	<b>1,788,630</b>	<b>1,788,630</b>
<b>Bonds</b>	-	<b>210,690</b>	<b>210,690</b>
<b>Total Investments</b>	-	<b>1,999,320</b>	<b>1,999,320</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments as at March 31, 2010.

(\$000s)	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	-	1,984,034	1,984,034
Bonds	-	250,304	250,304
Total Investments	-	2,234,338	2,234,338

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments as at March 31, 2009.

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

**US DOLLAR MONEY MARKET FUND (ST3)**

**Statement of Net Assets**

as at March 31

(in US \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	78,856	128,617
Cash	<u>8,736</u>	<u>-</u>
	<u>87,592</u>	<u>128,617</u>
<b>Liabilities</b>		
bciMC funds management fees payable (note 8)	4	4
Custodial fees payable	3	3
Accounts payable	<u>6</u>	<u>4</u>
	<u>13</u>	<u>11</u>
<b>Net assets representing unitholders' equity</b>	<u>87,579</u>	<u>128,606</u>
Number of units outstanding (note 10)	<u>40,122</u>	<u>58,975</u>
<b>Net asset value per unit</b>	<u>2,183</u>	<u>2,181</u>

Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in US \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	<u>244</u>	<u>2,589</u>
Expenses (note 8):		
bciMC funds management fees	81	100
Custodial fees	9	12
Administrative and professional fees	<u>6</u>	<u>4</u>
	<u>96</u>	<u>116</u>
<b>Net investment income</b>	<u>148</u>	<u>2,473</u>
Realized and unrealized gains (losses):		
Net realized gain (loss)	(2)	7
Change in unrealized gain(loss)	<u>(6)</u>	<u>2</u>
	<u>(8)</u>	<u>9</u>
<b>Net income from operations</b>	<u>140</u>	<u>2,482</u>
Capital Transactions:		
Proceeds from units issued	1,251,586	1,615,151
Amounts paid for units redeemed	<u>(1,292,753)</u>	<u>(1,631,436)</u>
	<u>(41,167)</u>	<u>(16,285)</u>
Decrease in net assets	(41,027)	(13,803)
Net assets, beginning of year	<u>128,606</u>	<u>142,409</u>
<b>Net Assets, end of year</b>	<u>87,579</u>	<u>128,606</u>

See accompanying Notes to Financial Statements.

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

**US DOLLAR MONEY MARKET FUND (ST3)**

**Statement of Cash Flows  
for the year ended March 31  
(in US \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income from operations	140	2,482
Items not affecting cash:		
Amortization of premiums and discounts	(244)	(2,588)
Net realized loss (gain)	2	(7)
Change in unrealized loss (gain)	6	(2)
	(96)	(115)
Changes in non-cash operating accounts:		
bcIMC funds management fees payable	-	(2)
Accounts payable	2	2
	(94)	(115)
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	5,170,174	7,999,270
Amounts paid for purchase of investments	(5,120,177)	(7,982,870)
	49,997	16,400
<b>Cash flows from financing activities</b>		
Proceeds from units issued	1,251,586	1,615,151
Amounts paid for units redeemed	(1,292,753)	(1,631,436)
	(41,167)	(16,285)
<b>Net increase (decrease) in cash</b>	8,736	-
<b>Cash, beginning of year</b>	-	-
<b>Cash, end of year</b>	8,736	-

**Statement of Investments  
as at March 31  
(in US \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Money Market Investments:</b>				
Federal Government	-	-	10,000	9,999
Provincial Government	67,856	67,856	94,590	94,585
Corporate	11,000	11,000	24,027	24,027
<b>Total Investments</b>	<u>78,856</u>	<u>78,856</u>	<u>128,617</u>	<u>128,611</u>

See accompanying Notes to Financial Statements.

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

**US DOLLAR MONEY MARKET FUND (ST3)**

**Financial Risk Management Discussion  
as at March 31**

The US Dollar Money Market Fund (ST3) (the Fund) invests in short term government and corporate debt securities, including commercial paper. The investment objective of the Fund is to exceed the returns of the benchmark (the Citigroup 30 Day Treasury Bill Index) by 5 basis points or more per annum, net of all expenses incurred.

The Fund can hold the following securities:

- US dollar denominated securities which are issued, insured or guaranteed by the Government of Canada or a provincial or municipal government,
- United States Treasury Bills,
- US dollar denominated corporate commercial paper, issued by a Canadian corporation, that is rated A-1 (Low) or better by Standard & Poor's or has an equivalent rating from another credit rating agency,
- US dollar denominated asset-backed securities, issued by a Canadian corporation, that is rated A-1 (Low) or better by Standard and Poor's or has an equivalent rating from another credit rating agency,
- unrated Canadian corporate paper (i.e., debt issued by credit unions),
- swapped deposits (fully hedged Canadian-pay securities of U.S. issuers that meet investment guideline criteria), and
- forward contracts for the purposes of currency conversions.

The following restrictions apply to the Fund:

- Not more than 10 percent of the market value of the Fund shall be invested in one corporation with the exception that ST3 can hold up to 15 percent of fund assets in any one Schedule One bank.
- Not more than 25 percent of the total portfolio can be invested in corporate commercial paper rated A-1 (Low).
- The maximum term to maturity of the securities is 45 days.

Note 6 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

**Financial Risk Management Discussion (continued)  
as at March 31**

**Credit Risk**

As at March 31, the Pool invested in debt instruments with the following credit ratings:

INVESTMENTS BY CREDIT RATING (\$'000s)	2010		2009	
	Total	% of Total	Total	% of Total
AAA/AA	20,598	26.1%	79,620	61.9%
A	58,258	73.9%	48,997	38.1%
<b>Total Investments</b>	<b>78,856</b>	<b>100.0%</b>	<b>128,617</b>	<b>100.0%</b>

**Interest Rate Risk**

As at March 31, 2009 and March 31, 2008, the Fund invested in fixed income instruments with terms to maturity within a year and an average effective yield of 0.125% (2008 – 0.14%).

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 \$56,000 U.S. (2009 - \$58,000 U.S.). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Other Price Risk**

The Fund's financial assets and liabilities are not exposed to significant other price risk since the Fund's assets and liabilities are fixed income instruments.

**Currency Risk**

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

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS

**US DOLLAR MONEY MARKET FUND (ST3)**

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**Fair Value Measurement Discussion  
as at March 31**

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As described in note 3 of the financial statements. CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. During 2010 and 2009, there were no significant transfers between Level 1 and Level 2. As at March 31, 2010 and March 31, 2009, all of the investments were valued using observable inputs (Level 2).

*See accompanying Notes to Financial Statements*

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

**GLOBAL GOVERNMENT BOND FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u> (note 1)
<b>Assets</b>	
Investments at fair value	551,557
Unrealized gains on foreign currency contracts (Schedule One)	23,309
Cash	1,128
Accrued investment income	<u>4,380</u>
	<u>580,374</u>
<b>Liabilities</b>	
bclMC funds management fees payable (note 8)	18
Custodial fees payable	2
Accounts payable	<u>5</u>
	<u>25</u>
<b>Net assets representing unitholders' equity</b>	<u><u>580,349</u></u>
Number of units outstanding (note 10)	<u>574,555</u>
<b>Net asset value per unit</b>	<u><u>1,010</u></u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the period ended March 31

(in \$000s)

	<u>2010</u> (note 1)
Investment Income	3,624
Foreign exchange gains	<u>6,406</u>
	<u>10,030</u>
Expenses (note 8):	
bclMC funds management fees	90
Custodial fees	10
Administrative and professional fees	<u>5</u>
	<u>105</u>
<b>Net investment income</b>	<u>9,925</u>
Realized and unrealized gains (losses):	
Net realized gain	24,511
Change in unrealized loss	<u>(31,662)</u>
	<u>(7,151)</u>
<b>Net income from operations</b>	<u>2,774</u>
Capital Transactions:	
Proceeds from units issued	577,575
Amounts paid for units redeemed	<u>-</u>
	<u>577,575</u>
Increase in net assets	580,349
Net assets, beginning of period	<u>-</u>
<b>Net Assets, end of period</b>	<u><u>580,349</u></u>

<sup>1</sup> The net realized gain and change in unrealized loss includes the following exchange losses: (5,780)



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

**GLOBAL GOVERNMENT BOND FUND**

**Statement of Cash Flows  
for the period ended March 31  
(in US \$000s)**

	<u>2010</u> (note 1)
<b>Cash flow provided by (used for):</b>	
<b>Cash flows from operating activities</b>	
Net income from operations	2,774
Items not affecting cash:	
Amortization of premiums and discounts	776
Net realized loss (gain)	(24,511)
Change in unrealized loss (gain)	<u>31,662</u>
	10,701
Changes in non-cash operating accounts:	
Accrued investment income	(4,380)
bcIMC funds management fees payable	17
Custodial fees payable	2
Accounts payable	5
	<u>6,345</u>
<b>Cash flows from investing activities</b>	
Proceeds from sale of investments	811,352
Amounts paid for purchase of investments	<u>(1,394,144)</u>
	<u>(582,792)</u>
<b>Cash flows from financing activities</b>	
Proceeds from units issued	577,575
Amounts paid for units redeemed	-
	<u>577,575</u>
<b>Net increase in cash</b>	1,128
<b>Cash, beginning of period</b>	-
<b>Cash, end of period</b>	<u>1,128</u>

**Statement of Investments  
as at March 31  
(in \$000s)**

	<u>2010</u>	
	<u>Fair Value</u>	<u>Cost</u>
<b>Bonds:</b>		
Canadian Federal Government	17,547	17,613
U.S. Federal Government	159,819	170,111
Foreign denominated Government	<u>367,488</u>	<u>412,097</u>
	<u>544,854</u>	<u>599,821</u>
<b>Money Market Investments:</b>		
Units in bcIMC Pooled Investment Portfolio Funds		
Fund ST1	5,687	5,687
Fund ST3	<u>1,016</u>	<u>1,020</u>
	<u>6,703</u>	<u>6,707</u>
<b>Total Investments</b>	<u>551,557</u>	<u>606,528</u>

**Schedule One - Foreign Currency Contracts  
as at March 31**

<u>Date</u>	<u>Number of Contracts</u>	<u>Expiry Dates</u>	<u>Notional Value (\$000s)</u>	<u>Unrealized Gain (\$000s)</u>
2010	1	May 2010	3,312	1
2010	8	April 2010	<u>561,313</u>	<u>23,308</u>
			<u>564,625</u>	<u>23,309</u>

See accompanying Notes to Financial Statements.

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

**GLOBAL GOVERNMENT BOND FUND**

**Financial Risk Management Discussion  
as at March 31**

The investment objective of the Global Government Bond Fund (the Fund) is to exceed the returns relative to the Fund's benchmark, the JP Morgan Government Bond Index (GBI) Global (Hedged CAD), by 20 basis points or more per annum, net of all expenses incurred. The Fund is actively managed. The portfolio manager attempts to increase the returns relative to the Fund's benchmark by employing the following strategies:

- anticipating yield curve changes,
- anticipating yield level changes,
- quality swaps,
- yield pickups,
- market diversification, and
- foreign currency management.

The Fund invests in the following securities:

- fixed income securities, including money market instruments, that are issued or guaranteed by sovereign governments of benchmark member countries,
- fixed income securities that are issued or guaranteed by supranational entities including, but not limited to, the World Bank, the International Bank for Reconstruction and Development, the Asian Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank or the Inter-American Development Bank.
- spot currencies, unleveraged debt securities futures, and foreign exchange forward contracts for currency conversions and/or currency hedging,
- derivative instruments (other than those noted above) with CIO approval,
- private placement fixed income securities may be purchased with prior CIO approval provided that they are issued or guaranteed by sovereign governments of benchmark member countries or supranational entities, and be rate "BBB-" or better by Standard & Poor's or have an equivalent rating from another credit rating agency, and
- units of bclMC's Pooled Investment Portfolio Funds ST1, ST2, and ST3.

**Financial Risk Management Discussion (continued)  
as at March 31**

The following restrictions apply to the holding of securities in the Fund:

- Debt securities issued held by the Fund must be rated "BBB-" or better by Standard & Poor's or have an equivalent rating from another credit rating agency.
- Foreign exchange forward contract counterparties are restricted to financial institutions that are rated A- or better by Standard & Poor's or have an equivalent rating from another credit rating agency.
- The Fund must be not less than 80% hedged to the Canadian dollar.

If any issue is downgraded below the approved credit standard, bclMC has the discretion to determine the appropriate timing of any sale so as to maximize sale proceeds.

Note 6 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**

As at March 31, 2009, the Pool invested in debt instruments with AAA/AA credit ratings.

**Interest Rate Risk**

As at December 31, the Fund invested in debt instruments with the following terms to maturity and average effective yield:

INVESTMENTS BY CREDIT RATING (\$000s)	2010	
	Total	Avg Effective Yield
Within 1 year	4,118	0.65%
1 to 5 years	329,287	1.41%
5 to 10 years	98,368	2.95%
Over 10 years	113,081	3.52%
<b>Total Bonds</b>	<b>544,854</b>	<b>2.12%</b>

The duration is to be managed within ± 20 percent of the benchmark duration.

If prevailing interest rates increased or decreased by 1% (100 bps), with all others variables held constant, net assets would have decreased or increased, respectively, by approximately \$33,915,000 Cdn. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**GLOBAL GOVERNMENT BOND FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

**Other Price Risk**

The Fund's financial assets and liabilities are not exposed to significant other price risk since

**Currency Risk**

As at March 31, the Fund held foreign denominated net assets which resulted in net exposure to the following currencies:

CURRENCY (\$000s)	2010			
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Net Assets
Australian Dollar	7,830	(7,854)	(24)	-
British Pound Sterling	31,719	(31,695)	24	-
Danish Krone	3,326	(3,311)	15	-
Euro	162,831	(162,174)	657	0.1%
Japanese Yen	163,894	(164,276)	(382)	(0.1%)
Swedish Krona	2,789	(2,796)	(7)	-
United States Dollar	161,279	(162,583)	(1,304)	(0.2%)
<b>Net Exposure</b>	<b>533,668</b>	<b>(534,689)</b>	<b>(1,021)</b>	<b>(0.2%)</b>

As at March 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have increased/decreased, respectively, by \$10,000. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

(\$000s)	2010		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
<b>Money Market Investments</b>	-	6,703	6,703
<b>Bonds</b>	-	544,854	544,854
<b>Total Investments</b>	-	551,557	551,557
<b>Foreign Currency Contracts</b>	-	23,309	23,309
<b>Total</b>	-	574,866	574,866

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

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

**BRITISH COLUMBIA FOCUS FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	65	466
<b>Liabilities</b>		
bclMC funds management fees payable (note 8)	-	2
Accounts payable	13	4
	<u>13</u>	<u>6</u>
<b>Net assets representing unitholders' equity</b>	<u>52</u>	<u>460</u>
Number of units outstanding (note 10)	<u>0.053</u>	<u>0.345</u>
<b>Net asset value per unit</b>	<u>981</u>	<u>1,333</u>

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	1	14
Expenses (note 8):		
bclMC funds management fees	4	32
Administrative and professional fees	12	5
	<u>16</u>	<u>37</u>
<b>Net investment loss</b>	<u>(15)</u>	<u>(23)</u>
Realized and unrealized gains (losses):		
Net realized gain (loss)	(36)	251
Change in unrealized gain (loss)	32	(611)
	<u>(4)</u>	<u>(360)</u>
<b>Net loss from operations</b>	(19)	(383)
Capital Transactions:		
Amounts paid for units redeemed	(389)	(999)
Decrease in net assets	(408)	(1,382)
Net assets, beginning of year	460	1,842
<b>Net Assets, end of year</b>	<u>52</u>	<u>460</u>

Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

**BRITISH COLUMBIA FOCUS FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	<u>2010</u>	<u>2009</u>
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net loss from operations	(19)	(383)
Items not affecting cash:		
Net realized loss (gain)	36	(251)
Change in unrealized loss (gain)	<u>(32)</u>	<u>611</u>
	(15)	(23)
Changes in non-cash operating accounts:		
Accrued income	-	4
bclMC funds management fees payable	(2)	1
Accounts payable	<u>9</u>	<u>1</u>
	<u>(8)</u>	<u>(17)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	423	1,535
Amounts paid for purchase of investments	<u>(26)</u>	<u>(519)</u>
	<u>397</u>	<u>1,016</u>
<b>Cash flows from financing activities</b>		
Amounts paid for units redeemed	<u>(389)</u>	<u>(999)</u>
<b>Increase in cash</b>	-	-
<b>Cash, beginning of year</b>	<u>-</u>	<u>-</u>
<b>Cash, end of year</b>	<u><u>-</u></u>	<u><u>-</u></u>

**Statement of Investments  
as at March 31  
(in \$000s)**

	<u>2010</u>		<u>2009</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
<b>Equities:</b>				
Private	<u>-</u>	<u>-</u>	<u>9</u>	<u>43</u>
<b>Money Market Investments:</b>				
Units of bclMC Pooled Investment Portfolio				
Fund ST1	65	65	231	231
Fund ST2	-	-	216	216
Fund ST3	<u>-</u>	<u>-</u>	<u>10</u>	<u>8</u>
	<u>65</u>	<u>65</u>	<u>457</u>	<u>455</u>
<b>Total Investments</b>	<u><u>65</u></u>	<u><u>65</u></u>	<u><u>466</u></u>	<u><u>498</u></u>

See accompanying Notes to Financial Statements.

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

**BRITISH COLUMBIA FOCUS FUND**

**Financial Risk Management Discussion  
as at March 31**

The British Columbia Focus Fund (the Fund) is a Fixed Participation Pool that has invested predominantly in higher risk B.C. based venture capital and merchant banking opportunities. The committed funds that have been invested by the Fund have been substantially or wholly realized. bclMC continues to manage the Fund with a view to liquidating the remaining investments at opportune times.

The Fund can hold the following securities:

- privately negotiated investment securities, including, but not limited to, trust units, partnership interests, shares, debt instruments, convertible securities, rights, warrants, and units in externally managed pooled investment portfolios,
- publicly traded common stock or fixed income securities,
- derivatives, such as, but not limited to, spot contracts, forwards, futures, swaps, and options, to manage interest rate risk, currency exposure, and other investment risks with CIO approval, and
- units in bclMC Money Market Funds ST1, ST2 and ST3 and/or Currency Hedging Funds.

Note 6 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**

As at March 31, the Pool invested in debt instruments with the following credit ratings:

BONDS BY MATURITY DATE (\$000s)	2008		2007	
	Total	Avg Effective Yield	Total	Avg Effective Yield
AAA/AA	45	68.5%	428	93.7%
A	5	7.4%	23	5.0%
Unrated	16	24.1%	6	1.3%
<b>Total Bonds</b>	<b>65</b>	<b>100.0%</b>	<b>457</b>	<b>100.00%</b>

**Financial Risk Management Discussion (continued)  
as at March 31**

**Interest Rate Risk**

The Fund's financial assets and liabilities are not exposed to significant interest rate risk.

**Other Price Risk**

The Fund's financial assets and liabilities are not exposed to significant other price risk.

**Currency Risk**

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

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

**BRITISH COLUMBIA FOCUS FUND**

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements. CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2010:

	2010			Total
	Quoted Price Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>(\$000s)</b>				
<b>Money Market Investments</b>	-	65	-	65

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

	2009			Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
<b>(\$000s)</b>				
Money Market Investments	-	457	-	457
Private Equities	-	-	9	9
Total Investments	-	457	9	466

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

**Fair Value Measurement Discussion (continued)  
as at March 31**

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value. The table represents the activity of Level 3 investments held at the beginning and end of the year:

	(\$000s)
Opening Balance as at April 1, 2009	9
Purchases	-
Settlements	(6)
Realized Losses	(37)
Change in Unrealized Gains	34
Closing Balance as at March 31, 2010	-

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

**INDEXED CANADIAN EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	5,757,268	4,916,575
Net receivable for variation on futures contracts (Schedule One)	56	373
Receivable from sale of investments	4,080	5,460
Receivable from issue of units	160,900	157,500
Accrued investment income	10,051	12,807
	<u>5,932,355</u>	<u>5,092,715</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 8)	122	72
Payable for purchase of investments	165,489	164,303
Payable for redemption of units	2,800	-
Custodial fees payable	30	32
Accounts payable	5	4
	<u>168,446</u>	<u>164,411</u>
<b>Net assets representing unitholders' equity</b>	<u>5,763,909</u>	<u>4,928,304</u>
Number of units outstanding (note 10)	<u>1,174,502</u>	<u>1,421,713</u>
<b>Net asset value per unit</b>	<u>4,908</u>	<u>3,466</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	149,715	111,256
Expenses (note 8):		
Foreign exchange translation losses	61	-
Commissions and stock exchange fees	3,192	3,408
bclMC funds management fees	2,147	1,802
Custodial fees	132	138
Administrative and professional fees	33	15
	<u>5,565</u>	<u>5,363</u>
<b>Net investment income</b>	<u>144,150</u>	<u>105,893</u>
Realized and unrealized gains (losses):		
Net realized gain (loss)	388,096 <sup>1</sup>	(261,062) <sup>1</sup>
Change in unrealized gain (loss)	1,401,169 <sup>1</sup>	(1,851,105) <sup>1</sup>
	<u>1,789,265</u>	<u>(2,112,167)</u>
<b>Net income (loss) from operations</b>	<u>1,933,415</u>	<u>(2,006,274)</u>
Capital Transactions:		
Proceeds from units issued	555,562	1,955,062
Amounts paid for units redeemed	(1,653,372)	(330,346)
	<u>(1,097,810)</u>	<u>1,624,716</u>
Increase (decrease) in net assets	835,605	(381,558)
Net assets, beginning of year	4,928,304	5,319,469
Transitional adjustment (note 5)	-	(9,607)
<b>Net Assets, end of year</b>	<u>5,763,909</u>	<u>4,928,304</u>

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

40	918
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**INDEXED CANADIAN EQUITY FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	1,933,415	(2,006,274)
Items not affecting cash:		
Amortization of premiums and discounts	-	(112)
Net realized loss (gain)	(388,096)	261,062
Change in unrealized loss (gain)	(1,401,169)	1,851,105
	144,150	105,781
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	317	129
Receivable from sale of investments	1,380	21,107
Receivable from issue of units	(3,400)	(145,910)
Accrued investment income	2,756	(1,607)
bclMC funds management fees payable	50	(22)
Payable for purchase of investments	1,186	122,670
Payable for redemption of units	2,800	(1,861)
Custodial fees payable	(2)	(2)
Accounts payable	1	1
	149,238	100,286
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	3,210,737	1,400,078
Amounts paid for purchase of investments	(2,262,165)	(3,125,082)
	948,572	(1,725,004)
<b>Cash flows from financing activities</b>		
Proceeds from units issued	555,562	1,955,062
Amounts paid for units redeemed	(1,653,372)	(330,346)
	(1,097,810)	1,624,716
<b>Decrease in cash</b>	-	(2)
<b>Cash, beginning of year</b>	-	2
<b>Cash, end of year</b>	-	-

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Publicly Traded	5,717,002	4,371,812	4,892,143	4,948,080
<b>Bonds:</b>				
Corporate	548	500	-	-
<b>Money Market Investments:</b>				
Federal Government	4,995	4,996	6,997	6,991
Units of bclMC Pooled Investment Portfolio Fund ST1	34,723	34,722	17,435	17,435
	39,718	39,718	24,432	24,426
<b>Total Investments</b>	<u>5,757,268</u>	<u>4,412,030</u>	<u>4,916,575</u>	<u>4,972,506</u>

**Schedule One - S&P Canada 60 Equity Index Futures Contracts  
as at March 31**

Date	Number of Contracts	Expiry Date	Notional Value (\$ 000)	Net Receivable (\$ 000)
2010	240	June 2010	33,768	56
2009	230	June 2009	24,196	373

\$5.4 million (2009 - \$5.0 million) Government of Canada T-Bills, maturing in July 2010 (May 2009), are held on margin for the equity index futures contracts. See note 7 for additional information on derivatives.

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

**INDEXED CANADIAN EQUITY FUND**

**Financial Risk Management Discussion  
as at March 31**

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 S&P/TSX Equity Index, the Fund's benchmark. The Fund holds companies and sectors roughly in proportion to their weighting in the Index.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of benchmark member companies including preferred shares, instalment receipts, convertible securities, rights and warrants,
- exchange traded funds,
- up to \$200 Million in unleveraged futures contracts; these futures may be based on an index that includes income trusts,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- other derivative instruments with CIO approval, and
- units of bclMC's Pooled Investment Portfolio Funds ST1 and ST2.

The following restrictions apply to the Fund:

- Up to 0.5% of the Fund's assets can be invested in units of bclMC's Pooled Investment Portfolio Funds ST1 and ST2. This constraint does not apply to money market securities held for futures.

Note 6 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**

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

**Interest Rate Risk**

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

**Financial Risk Management Discussion (continued)  
as at March 31**

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	<b>254,409</b>	<b>4.5%</b>	207,158	4.2%
<b>Consumer Staple</b>	<b>163,401</b>	<b>2.9%</b>	168,636	3.4%
<b>Energy</b>	<b>1,317,328</b>	<b>23.0%</b>	1,201,377	24.6%
<b>Financial Services</b>	<b>1,882,284</b>	<b>32.8%</b>	1,418,157	29.0%
<b>Health Care</b>	<b>22,692</b>	<b>0.4%</b>	16,628	0.3%
<b>Industrial Products</b>	<b>351,697</b>	<b>6.2%</b>	287,185	5.9%
<b>Information Technology</b>	<b>220,404</b>	<b>3.9%</b>	194,539	4.0%
<b>Materials and Processing</b>	<b>1,168,927</b>	<b>20.4%</b>	1,043,191	21.3%
<b>Telecommunication Services</b>	<b>250,791</b>	<b>4.4%</b>	277,456	5.7%
<b>Utilities</b>	<b>85,069</b>	<b>1.5%</b>	77,816	1.6%
<b>Total Equities</b>	<b>5,717,002</b>	<b>100.0%</b>	4,892,143	100.0%

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark, would be an increase/decrease, respectively, of \$571,700,000 (2009 - \$484,322,000). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the 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.

**Currency Risk**

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

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

**INDEXED CANADIAN EQUITY FUND**

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements. CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

(\$000s)	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
<b>Money Market Investments</b>	-	39,718	39,718
<b>Bonds</b>	-	548	548
<b>Public Equities</b>	5,715,267	589	5,715,856
<b>Warrants</b>	257	889	1,146
<b>Total Investments</b>	<b>5,715,524</b>	<b>41,744</b>	<b>5,757,268</b>
<b>Futures Contracts</b>	56		56
<b>Total</b>	<b>5,715,580</b>	<b>41,744</b>	<b>5,757,324</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

(\$000s)	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	-	24,432	24,432
Public Equities	4,885,602	5,797	4,891,399
Warrants	256	488	744
Total Investments	4,885,858	30,717	4,916,575
Futures Contracts	373		373
Total	4,886,231	30,717	4,916,948

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

**ACTIVE CANADIAN EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	2,148,318	1,837,165
Cash	21,615	5,042
Receivable from sale of investments	12,730	2,892
Accrued investment income	3,628	4,065
	<u>2,186,291</u>	<u>1,849,164</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 8)	48	20
Payable for purchase of investments	20,632	3,575
External management fees payable	1,322	1,591
Custodial fees payable	29	20
Accounts payable	4	4
	<u>22,035</u>	<u>5,210</u>
<b>Net assets representing unitholders' equity</b>	<u>2,164,256</u>	<u>1,843,954</u>
Number of units outstanding (note 10)	<u>322,585</u>	<u>397,924</u>
<b>Net asset value per unit</b>	<u>6,709</u>	<u>4,634</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	50,498	61,865
Expenses (note 8):		
Commissions and stock exchange fees	2,794	4,288
bclMC funds management fees	837	939
External management fees	4,711	5,632
Custodial fees	104	98
Administrative and professional fees	19	13
	<u>8,465</u>	<u>10,970</u>
<b>Net investment income</b>	<u>42,033</u>	<u>50,895</u>
Realized and unrealized gains (losses):		
Net realized gain	192,199	164,230 <sup>1</sup>
Change in unrealized gain (loss)	562,262	(1,024,719) <sup>1</sup>
	<u>754,461</u>	<u>(860,489)</u>
<b>Net income (loss) from operations</b>	<u>796,494</u>	<u>(809,594)</u>
Capital Transactions:		
Proceeds from units issued	-	92,618
Amounts paid for units redeemed	(476,192)	(1,399,618)
	<u>(476,192)</u>	<u>(1,307,000)</u>
Increase (decrease) in net assets	320,302	(2,116,594)
Net assets, beginning of year	1,843,954	3,971,546
Transitional adjustment (note 5)	-	(10,998)
<b>Net Assets, end of year</b>	<u>2,164,256</u>	<u>1,843,954</u>

See accompanying Notes to Financial Statements.

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

**ACTIVE CANADIAN EQUITY FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net Income (loss) from operations	796,494	(809,594)
Items not affecting cash:		
Net realized loss (gain)	(192,199)	(164,230)
Change in unrealized loss (gain)	(562,262)	1,024,719
	42,033	50,895
Changes in non-cash operating accounts:		
Receivable from sale of investments	(9,838)	1,916
Receivable from issuance of units	-	6,100
Accrued investment income	437	3,641
bcIMC funds management fees payable	28	(34)
Payable for purchase of investments	17,057	(1,053)
Payable for redemption of units	-	(6,100)
External management fees payable	(269)	(327)
Custodial fees payable	9	(13)
Accounts payable	-	1
	49,457	55,026
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	2,037,386	5,207,460
Amounts paid for purchase of investments	(1,594,078)	(3,952,084)
	443,308	1,255,376
<b>Cash flows from financing activities</b>		
Proceeds from units issued	-	92,618
Amounts paid for units redeemed	(476,192)	(1,399,618)
	(476,192)	(1,307,000)
<b>Increase in cash</b>	16,573	3,402
<b>Cash, beginning of year</b>	5,042	1,640
<b>Cash, end of year</b>	21,615	5,042

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Publicly Traded	2,112,670	1,615,451	1,762,982	1,827,125
Private	-	-	11	911
	2,112,670	1,615,451	1,762,993	1,828,036
<b>Money Market Investments:</b>				
Federal Government	29,848	29,848	31,879	31,879
Corporate	3,950	3,950	10,587	10,587
Units of bcIMC Pooled Investment Portfolio Fund ST1	1,850	1,850	31,706	31,706
	35,648	35,648	74,172	74,172
<b>Total Investments</b>	2,148,318	1,651,099	1,837,165	1,902,208

See accompanying Notes to Financial Statements.

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

**ACTIVE CANADIAN EQUITY FUND**

**Financial Risk Management Discussion  
as at March 31**

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 (large, medium and small cap). Active managers operate independently of each other and are given specific value added targets, consistent with their expected risk profile.

The investment objective of the Active Canadian Equity Fund is to provide clients with a higher rate of return than the Fund's benchmark, the S&P/TSX Capped Equity Index. The objective of active management is to exceed the return of the benchmark by 150 basis points per annum, net of investment expenses, on a four year moving average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of Canadian companies including preferred shares, instalment receipts, convertible securities, rights and warrants,
- publicly traded income trust units,
- exchange traded funds based on the Fund's Index or a similar index,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- other derivative instruments with CIO approval, and
- money market securities rated A-1 (low) or better, and units of bclMC's Money Market Funds ST1 and ST2.

The following restrictions apply to the Fund:

- Up to 15% of the Fund's assets over any 3 month period or up to 10% over any 12 month period may be invested in money market securities rated A-1 (low) or better, in units of bclMC's Money Market Funds ST1 and ST2.
- Investments in the securities of a single company are limited to 10% of the market value of the Fund.

Note 6 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

**Financial Risk Management Discussion (continued)  
as at March 31**

**Credit Risk**

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

**Interest Rate Risk**

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

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	<b>151,685</b>	<b>7.2%</b>	119,100	6.8%
<b>Consumer Staple</b>	<b>100,502</b>	<b>4.8%</b>	96,103	5.5%
<b>Energy</b>	<b>455,621</b>	<b>21.6%</b>	407,150	23.1%
<b>Financial Services</b>	<b>628,136</b>	<b>29.6%</b>	413,372	23.4%
<b>Health Care</b>	<b>24,430</b>	<b>1.2%</b>	39,649	2.2%
<b>Industrial Products</b>	<b>179,630</b>	<b>8.5%</b>	157,047	8.9%
<b>Information Technology</b>	<b>125,859</b>	<b>6.0%</b>	113,015	6.4%
<b>Materials and Processing</b>	<b>318,445</b>	<b>15.1%</b>	280,226	15.9%
<b>Telecommunication Services</b>	<b>68,078</b>	<b>3.2%</b>	78,352	4.4%
<b>Utilities</b>	<b>19,348</b>	<b>0.9%</b>	20,781	1.2%
<b>Other</b>	<b>40,936</b>	<b>1.9%</b>	38,198	2.2%
<b>Total Equities</b>	<b>2,112,670</b>	<b>100.0%</b>	1,762,993	100.0%

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark over the next year, would be an increase/decrease, respectively, of \$196,478,000 (2009 – \$155,143,000). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**ACTIVE CANADIAN EQUITY FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

*Equity by Geographic Region*

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

**Currency Risk**

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

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

(\$000s)	2010		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Money Market Investments	-	35,648	35,648
Public Equities	2,065,753	46,917	2,112,670
<b>Total Investments</b>	<b>2,065,753</b>	<b>82,565</b>	<b>2,148,318</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

**Fair Value Measurement Discussion (continued)  
as at March 31**

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

(\$000s)	2009			Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Money Market Investments	-	74,172	-	74,172
Public Equities	1,722,637	40,229	-	1,762,866
Warrants	53	63	-	116
Private Equities	-	-	11	11
<b>Total Investments</b>	<b>1,722,690</b>	<b>114,464</b>	<b>11</b>	<b>1,837,165</b>

During 2009, there were no significant transfers between Level 1 and Level 2.

The following is a reconciliation of Level 3 investments for which significant unobservable inputs were used to determine fair value. The table represents the activity of Level 3 investments held at the beginning and end of the year:

	(\$000s)
Opening Balance as at April 1, 2009	11
Purchases	-
Settlements	(34)
Realized Losses	(877)
Change in Unrealized Gains	900
Closing Balance as at March 31, 2010	-

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

**ENHANCED INDEXED CANADIAN EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	3,907,621	2,788,041
Net receivable for variation on futures contracts (Schedule One)	9	133
Cash	3,449	2,164
Receivable from sale of investments	20,184	12,824
Accrued investment income	6,958	7,833
	<u>3,938,221</u>	<u>2,810,995</u>
<b>Liabilities</b>		
bcIMC funds management fees payable (note 8)	93	67
Payable for purchase of investments	27,570	17,337
External management fees payable	614	593
Custodial fees payable	46	37
Accounts payable	5	4
	<u>28,328</u>	<u>18,038</u>
<b>Net assets representing unitholders' equity</b>	<u>3,909,893</u>	<u>2,792,957</u>
Number of units outstanding (note 10)	<u>1,695.654</u>	<u>1,708.387</u>
<b>Net asset value per unit</b>	<u>2,306</u>	<u>1,635</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	91,069	47,166
Expenses (note 8):		
Foreign exchange translation losses	32	-
Commissions and stock exchange fees	2,785	3,054
bcIMC funds management fees	1,487	976
External management fees	2,373	1,688
Custodial fees	181	130
Administrative and professional fees	16	8
	<u>6,874</u>	<u>5,856</u>
<b>Net investment income</b>	<u>84,195</u>	<u>41,310</u>
Realized and unrealized gains (losses):		
Net realized gain (loss)	97,170 <sup>1</sup>	(133,178) <sup>1</sup>
Change in unrealized gain (loss)	960,717 <sup>1</sup>	(504,312) <sup>1</sup>
	<u>1,057,887</u>	<u>(637,490)</u>
<b>Net income (loss) from operations</b>	<u>1,142,082</u>	<u>(596,180)</u>
Capital Transactions:		
Proceeds from units issued	8,073	1,654,588
Amounts paid for units redeemed	(33,219)	(98,614)
	<u>(25,146)</u>	<u>1,555,974</u>
Increase in net assets	1,116,936	959,794
Net assets, beginning of year	2,792,957	1,836,639
Transitional adjustment (note 5)	-	(3,476)
<b>Net Assets, end of year</b>	<u>3,909,893</u>	<u>2,792,957</u>

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

20                      541



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

**ENHANCED INDEXED CANADIAN EQUITY FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	1,142,082	(596,180)
Items not affecting cash:		
Net realized loss (gain)	(97,170)	133,178
Change in unrealized loss (gain)	(960,717)	504,312
	84,195	41,310
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	124	9
Receivable from sale of investments	(7,360)	(6,455)
Receivable from issue of units	-	5,425
Accrued investment income	875	(4,278)
bcIMC funds management fees payable	26	22
Payable for purchase of investments	10,233	6,897
Payable for redemption of units	-	(5,235)
External management fees payable	21	125
Custodial fees payable	9	9
Accounts payable	1	1
	88,124	37,830
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	2,132,462	1,244,679
Amounts paid for purchase of investments	(2,194,155)	(2,837,913)
	(61,693)	(1,593,234)
<b>Cash flows from financing activities</b>		
Proceeds from units issued	8,073	1,654,588
Amounts paid for units redeemed	(33,219)	(98,614)
	(25,146)	1,555,974
<b>Increase in cash</b>	1,285	570
<b>Cash, beginning of year</b>	2,164	1,594
<b>Cash, end of year</b>	3,449	2,164

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Publicly Traded	3,897,890	3,312,265	2,777,900	3,152,976
<b>Bonds:</b>				
Corporate	219	200	-	-
<b>Money Market Investments:</b>				
Federal Government	3,247	3,247	-	-
Units of bcIMC Pooled Investment Portfolio Fund ST1	6,265	6,265	10,141	10,138
	9,512	9,512	10,141	10,138
<b>Total Investments</b>	<u>3,907,621</u>	<u>3,321,977</u>	<u>2,788,041</u>	<u>3,163,114</u>

**Schedule One - S&P Canada 60 Equity Index Futures Contracts  
as at March 31**

Date	Number of Contracts	Expiry Date	Notional	
			Value (\$ 000)	Net Receivable (\$ 000)
2010	40	June 2010	5,628	9
Date	Number of Contracts	Expiry Date	Notional Value (\$ 000)	Net Receivable (\$ 000)
2009	75	June 2009	7,890	133

\$2.0 million (2009 - \$3.0 million) Government of Canada T-Bills, maturing in July 2010 (August 2009), are held on margin for the equity index futures contracts. See note 7 for additional information on derivatives.

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

**ENHANCED INDEXED CANADIAN EQUITY FUND**

**Financial Risk Management Discussion  
as at March 31**

The Enhanced Canadian Equity Fund (the Fund) differs from the Active Canadian Equity Fund in that it takes a lower level of active management risk and will more closely reflect the sector and financial characteristics of the benchmark, the S&P/TSX Capped Equity Index. The Fund's objective is to exceed the return of the benchmark by 100 basis points per annum, net of investment expenses, on a four year moving average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of Canadian companies including preferred shares, instalment receipts, convertible securities, rights and warrants,
- publicly traded income trust units,
- exchange traded funds,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- unleveraged futures contracts and swaps,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- other derivative instruments with CIO approval, and
- money market securities rated A-1 (low) or better, and units of bclMC's Pooled Investment Portfolio Funds ST1 and ST2.

The following restrictions apply to the Fund:

- Up to 10% of the Fund's assets over any 3 month period or up to 5% over any 12 month period may be invested in money market securities rated A-1 (low) or better, in units of bclMC's Pooled Investment Portfolio Funds ST1 and ST2. This constraint does not apply to money market securities held for futures.
- Investments in the securities of a single company are limited to 10% of the market value of the Fund.

Note 6 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

**Financial Risk Management Discussion (continued)  
as at March 31**

**Credit Risk**

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

**Interest Rate Risk**

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

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	172,488	4.4%	108,058	3.9%
<b>Consumer Staple</b>	116,950	3.0%	102,387	3.7%
<b>Energy</b>	829,830	21.3%	671,384	24.2%
<b>Financial Services</b>	1,301,355	33.5%	800,357	28.7%
<b>Health Care</b>	19,010	0.5%	15,282	0.6%
<b>Industrial Products</b>	234,694	6.0%	164,237	5.9%
<b>Information Technology</b>	168,730	4.3%	123,821	4.5%
<b>Materials and Processing</b>	796,618	20.4%	583,006	21.0%
<b>Telecommunication Services</b>	187,453	4.8%	161,976	5.8%
<b>Utilities</b>	70,762	1.8%	47,392	1.7%
<b>Total Equities</b>	<b>3,897,890</b>	<b>100.0%</b>	<b>2,777,900</b>	<b>100.0%</b>

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark would be an increase/decrease, respectively, of \$385,891,000 (2009 - \$275,012,000). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**ENHANCED INDEXED CANADIAN EQUITY FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

*Equity by Geographic Region*

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

**Currency Risk**

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

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(\$000s)			
Money Market Investments	-	9,512	9,512
Bonds	-	219	219
Public Equities	3,897,327	118	3,897,445
Warrants	-	445	445
<b>Total Investments</b>	<b>3,897,327</b>	<b>10,294</b>	<b>3,907,621</b>
Futures Contracts	9		9
<b>Total</b>	<b>3,897,336</b>	<b>10,294</b>	<b>3,907,630</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(\$000s)			
Money Market Investments	-	10,141	10,141
Bonds	-	-	-
Public Equities	2,774,724	2,898	2,777,622
Warrants	34	244	278
<b>Total Investments</b>	<b>2,774,758</b>	<b>13,283</b>	<b>2,788,041</b>
Futures Contracts	133		133
<b>Total</b>	<b>2,774,891</b>	<b>13,283</b>	<b>2,788,174</b>

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

**ACTIVE U.S. EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	2010	2009
<b>Assets</b>		
Investments at fair value	1,680,892	1,732,781
Cash	43,996	72,300
Receivable from sale of investments	18,272	16,185
Accrued investment income	1,579	2,618
Withholding taxes receivable	194	316
	<u>1,744,933</u>	<u>1,824,200</u>
<b>Liabilities</b>		
bclMC funds management fees payable (note 8)	37	34
Payable for purchase of investments	11,343	25,289
External management fees payable	2,048	3,698
Custodial fees payable	28	64
Accounts payable	5	4
	<u>13,461</u>	<u>29,089</u>
<b>Net assets representing unitholders' equity</b>	<u>1,731,472</u>	<u>1,795,111</u>
Number of units outstanding (note 10)	<u>473,517</u>	<u>611,010</u>
<b>Net asset value per unit</b>	<u>3,657</u>	<u>2,938</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	2010	2009
Investment Income	34,773	57,473
Foreign exchange translation gains	-	7,242
	<u>34,773</u>	<u>64,715</u>
<b>Expenses (note 8):</b>		
Foreign exchange translation losses	14,842	-
Commissions and stock exchange fees	3,939	3,971
bclMC funds management fees	721	872
External management fees	7,807	9,908
Custodial fees	132	292
Administrative and professional fees	7	5
	<u>27,448</u>	<u>15,048</u>
<b>Net investment income</b>	<u>7,325</u>	<u>49,667</u>
<b>Realized and unrealized gains (losses):</b>		
Net realized loss	(29,835) <sup>1</sup>	(477,771) <sup>1</sup>
Change in unrealized gain (loss)	433,188 <sup>1</sup>	(162,742) <sup>1</sup>
	<u>403,353</u>	<u>(640,513)</u>
<b>Net income (loss) from operations</b>	<u>410,678</u>	<u>(590,846)</u>
<b>Capital Transactions:</b>		
Proceeds from units issued	54,337	119,724
Amounts paid for units redeemed	(528,654)	(400,249)
	<u>(474,317)</u>	<u>(280,525)</u>
Decrease in net assets	(63,639)	(871,371)
Net assets, beginning of year	1,795,111	2,670,655
Transitional adjustment (note 5)	-	(4,173)
<b>Net Assets, end of year</b>	<u>1,731,472</u>	<u>1,795,111</u>

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

(399,268)	432,584
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ACTIVE U.S. EQUITY FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	410,678	(590,846)
Items not affecting cash:		
Net realized loss (gain)	29,835	477,771
Change in unrealized loss (gain)	(433,188)	162,742
	7,325	49,667
Changes in non-cash operating accounts:		
Receivable from sale of investments	(2,087)	22,110
Receivable from issue of units	-	204,140
Accrued investment income	1,039	157
Withholding taxes receivable	122	(58)
bclMC funds management fees payable	3	-
Payable for purchase of investments	(13,946)	(211,632)
Payable for redemption of units	-	(4,000)
External management fees payable	(1,650)	(591)
Custodial fees payable	(36)	8
Accounts payable	1	1
	(9,229)	59,802
<b>Cash flows from investing activities</b>		
Proceeds from investments	1,983,799	2,353,587
Purchase of investments	(1,528,557)	(2,148,750)
	455,242	204,837
<b>Cash flows from financing activities</b>		
Proceeds from units issued	54,337	119,724
Amounts paid for units redeemed	(528,654)	(400,249)
	(474,317)	(280,525)
<b>Decrease in cash</b>	(28,304)	(15,886)
<b>Cash, beginning of year</b>	72,300	88,186
<b>Cash, end of year</b>	43,996	72,300

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Publicly traded	1,678,805	1,617,776	1,721,859	2,093,831
<b>Money Market Investments:</b>				
Federal Government	-	-	4,381	4,675
<b>Money Market Investments:</b>				
Units of bclMC Pooled Investment Portfolio				
Fund ST1	1,680	1,680	6,541	6,455
Fund ST3	407	428	-	-
	2,087	2,108	6,541	6,455
<b>Total Investments</b>	<u>1,680,892</u>	<u>1,619,884</u>	<u>1,732,781</u>	<u>2,104,961</u>

See accompanying Notes to Financial Statements.

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

**ACTIVE U.S. EQUITY FUND**

**Financial Risk Management Discussion  
as at March 31**

The Active U.S. Equity Fund (the Fund) provides participating 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 U.S. equity market (large, medium and small cap). As an actively managed portfolio, the focus is on selecting quality companies that will generate higher returns than the index.

The investment objective of the Active U.S. Equity Fund (the Fund) is to provide clients with a higher rate of return than the Russell 1000 Total Return Index, the Fund's benchmark. The objective of active management is to exceed the return of the benchmark by 150 basis points per annum, net of investment expenses, on a four year moving average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of companies listed on a major U.S. exchange including preferred shares, instalment receipts, convertible securities, rights and warrants,
- exchange traded funds based on the Fund's Index,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- other derivative instruments with CIO approval ,
- forward contracts for currency conversions and/or currency hedging, and
- money market securities rated A-1(Low) or better, and units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

The following restrictions apply to the Fund:

- Up to 10% of the Fund's assets over any 12 month period may be invested in money market securities rated A-1(Low) or better, and bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.
- Investments in the securities of a single company are limited to 10% of the market value of the Fund.

Note 6 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

**Financial Risk Management Discussion (continued)  
as at March 31**

**Credit Risk**

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

**Interest Rate Risk**

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

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	<b>246,119</b>	<b>14.7%</b>	248,005	14.4%
<b>Consumer Staple</b>	<b>141,968</b>	<b>8.5%</b>	155,793	9.0%
<b>Energy</b>	<b>140,704</b>	<b>8.4%</b>	174,918	10.2%
<b>Financial Services</b>	<b>257,226</b>	<b>15.3%</b>	217,045	12.6%
<b>Health Care</b>	<b>217,332</b>	<b>12.9%</b>	279,879	16.3%
<b>Industrial Products</b>	<b>165,356</b>	<b>9.8%</b>	133,438	7.7%
<b>Information Technology</b>	<b>383,500</b>	<b>22.9%</b>	363,615	21.1%
<b>Materials and Processing</b>	<b>61,978</b>	<b>3.7%</b>	60,236	3.5%
<b>Telecommunication Services</b>	<b>39,215</b>	<b>2.3%</b>	59,697	3.5%
<b>Utilities</b>	<b>25,407</b>	<b>1.5%</b>	29,233	1.7%
<b>Total Equities</b>	<b>1,678,805</b>	<b>100.0%</b>	1,721,859	100.0%

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark would be an increase/decrease, respectively, of \$171,238,000 Cdn (2009 - \$177,351,000 Cdn). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**ACTIVE U.S. EQUITY FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

**Currency Risk**

The Fund holds net assets denominated in U.S. currency totalling \$1,731,911,000 Cdn which represents 100% of the net asset value of the Fund (2009 - \$1,798,839,000 Cdn which represented 100% of the net asset value of the Fund). As at March 31, 2010, if the Canadian dollar had strengthened/ weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$17,319,000 Cdn (2009 - \$17,988,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements. CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

(\$000s)	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	-	2,087	2,087
Public Equities	1,678,805	-	1,678,805
<b>Total Investments</b>	<b>1,678,805</b>	<b>2,087</b>	<b>1,680,892</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

(\$000s)	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	-	6,541	6,541
Bonds		4,381	4,381
Public Equities	1,720,471	1,372	1,721,843
Warrants	14	2	16
<b>Total Investments</b>	<b>1,720,485</b>	<b>12,296</b>	<b>1,732,781</b>

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

**INDEXED U.S. EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	4,693,282	4,643,567
Net receivable for variation on futures contracts (Schedule One)	-	337
Receivable from sale of investments	141,658	152
Receivable from issue of units	16,900	265,261
Accrued investment income	6,184	8,293
Withholding taxes receivable	31	38
	<u>4,858,055</u>	<u>4,917,648</u>
<b>Liabilities</b>		
Net payable for variation on futures contracts (Schedule One)	91	-
Unrealized loss on foreign currency contracts (Schedule Two)	1	19
bciMC funds management fees payable (note 8)	83	25
Payable for purchase of investments	10,861	261,887
Payable for redemption of units	151,400	-
Custodial fees payable	27	64
Accounts payable	5	4
	<u>162,468</u>	<u>261,999</u>
<b>Net assets representing unitholders' equity</b>	<u>4,695,587</u>	<u>4,655,649</u>
Number of units outstanding (note 10)	<u>1,433,810</u>	<u>1,717,350</u>
<b>Net asset value per unit</b>	<u>3,275</u>	<u>2,711</u>

Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the years ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	122,440	120,413
Foreign exchange translation gains	-	5,916
	<u>122,440</u>	<u>126,329</u>
<b>Expenses (note 8):</b>		
Foreign exchange translation losses	5,695	-
Commissions and stock exchange fees	360	650
bciMC funds management fees	1,474	1,307
Custodial fees	106	211
Administrative and professional fees	9	6
	<u>7,644</u>	<u>2,174</u>
<b>Net investment income</b>	<u>114,796</u>	<u>124,155</u>
<b>Realized and unrealized gains (losses):</b>		
Net realized loss	(249,147) <sup>1</sup>	(230,966) <sup>1</sup>
Change in unrealized gain (loss)	1,019,329 <sup>1</sup>	(1,151,907) <sup>1</sup>
	<u>770,182</u>	<u>(1,382,873)</u>
<b>Net income (loss) from operations</b>	<u>884,978</u>	<u>(1,258,718)</u>
<b>Capital Transactions:</b>		
Proceeds from units issued	457,345	1,993,926
Amounts paid for units redeemed	(1,302,385)	(1,789,765)
	<u>(845,040)</u>	<u>204,161</u>
Increase (decrease) in net assets	39,938	(1,054,557)
Net assets, beginning of year	4,655,649	5,717,325
Transitional adjustment (note 5)	-	(7,119)
<b>Net Assets, end of year</b>	<u>4,695,587</u>	<u>4,655,649</u>

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

(1,110,429)	965,048
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See accompanying Notes to Financial Statements.



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

**INDEXED U.S. EQUITY FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	<u>2010</u>	<u>2009</u>
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	884,978	(1,258,718)
Items not affecting cash:		
Net realized loss (gain)	249,147	230,966
Change in unrealized loss (gain)	<u>(1,019,329)</u>	<u>1,151,907</u>
	114,796	124,155
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	337	(258)
Receivable from sale of investments	(141,506)	54,107
Receivable from issue of units	248,361	(239,330)
Accrued investment income	2,109	(252)
Withholding taxes receivable	7	(7)
Net payable for variation on futures contracts	91	-
bclMC funds management fees payable	58	(35)
Payable for purchase of investments	(251,026)	258,354
Payable for redemption of units	151,400	(78,902)
Custodial fees payable	(37)	(7)
Accounts payable	<u>1</u>	<u>1</u>
	<u>124,591</u>	<u>117,826</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	1,689,972	1,453,426
Amounts paid for purchase of investments	<u>(969,523)</u>	<u>(1,775,413)</u>
	<u>720,449</u>	<u>(321,987)</u>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	457,345	1,993,926
Amounts paid for units redeemed	<u>(1,302,385)</u>	<u>(1,789,765)</u>
	<u>(845,040)</u>	<u>204,161</u>
<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  
(in \$000s)**

	<u>2010</u>		<u>2009</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
<b>Equities:</b>				
Publicly Traded	<u>4,671,593</u>	<u>5,288,959</u>	<u>4,625,095</u>	<u>6,261,942</u>
<b>Money Market Investments:</b>				
U.S. T-Bills	7,100	7,154	8,818	8,784
Units of bclMC Pooled Investment Portfolio				
Fund ST1	76	76	76	76
Fund ST3	<u>14,513</u>	<u>14,668</u>	<u>9,578</u>	<u>9,651</u>
	<u>21,689</u>	<u>21,898</u>	<u>18,472</u>	<u>18,511</u>
<b>Total Investments</b>	<u><u>4,693,282</u></u>	<u><u>5,310,857</u></u>	<u><u>4,643,567</u></u>	<u><u>6,280,453</u></u>

**Schedule One - S&P 500 Equity Index Futures Contracts  
as at March 31**

Date	Number of Contracts	Expiry Date	Notional Value (\$ 000)	Net Receivable (Payable) (\$ 000)
2010	76	June 2010	<u>22,461</u>	<u>(91)</u>
2009	113	June 2009	<u>28,648</u>	<u>337</u>

\$7.1 million (2009 - \$8.8 million) U.S. T-Bills, maturing in June 2010 (June 2009) are held on margin for the equity index futures contracts. See note 7 for additional information on derivatives.

**Schedule Two - Foreign Currency Contracts  
as at March 31**

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Loss (\$000s)
2010	1	April 2010	<u>134,500</u>	<u>(1)</u>
2009	3	April 2009	<u>265,261</u>	<u>(19)</u>

See accompanying Notes to Financial Statements.

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

**INDEXED U.S. EQUITY FUND**

**Financial Risk Management Discussion  
as at March 31**

The Indexed U.S. Equity Fund (the Fund) has broad exposure to the largest 500 companies in the United States and provides participating clients with similar risk and return characteristics as the S & P 500 Total Return Index, the Fund's benchmark. The Fund is a full replication index, holding companies and sectors in proportion to their weighting in the benchmark.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of benchmark member companies including preferred shares, instalment receipts, convertible securities, rights and warrants,
- exchange traded funds based on the index,
- up to CAD \$200 Million in unleveraged S&P 500 Index Futures,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- forward contracts for currency conversions and/or currency hedging,
- other derivative instruments with CIO approval, and
- units of bcIMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

The following restrictions apply to the Fund:

- Up to 0.5% of the Fund's assets may be invested in bcIMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3. This constraint does not apply to money market securities held for futures.
- Investments in individual companies will be held approximately in the same proportion as their weighting in the Index.

Note 6 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**

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

**Financial Risk Management Discussion (continued)  
as at March 31**

**Interest Rate Risk**

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

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	<b>472,448</b>	<b>10.1%</b>	405,007	8.8%
<b>Consumer Staple</b>	<b>525,689</b>	<b>11.3%</b>	592,575	12.8%
<b>Energy</b>	<b>508,158</b>	<b>10.9%</b>	601,956	13.0%
<b>Financial Services</b>	<b>771,095</b>	<b>16.5%</b>	499,871	10.8%
<b>Health Care</b>	<b>567,550</b>	<b>12.1%</b>	707,370	15.3%
<b>Industrial Products</b>	<b>490,321</b>	<b>10.5%</b>	449,240	9.7%
<b>Information Technology</b>	<b>881,559</b>	<b>18.8%</b>	831,772	18.0%
<b>Materials and Processing</b>	<b>162,394</b>	<b>3.5%</b>	153,573	3.3%
<b>Telecommunication Services</b>	<b>131,168</b>	<b>2.8%</b>	183,921	4.0%
<b>Utilities</b>	<b>161,211</b>	<b>3.5%</b>	199,810	4.3%
<b>Total Equities</b>	<b>4,671,593</b>	<b>100.0%</b>	4,625,095	100.0%

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark would be an increase/decrease, respectively, of \$467,159,000 Cdn (2009 - \$457,884,000 Cdn). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**INDEXED U.S. EQUITY FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

**Currency Risk**

The Fund holds net asset, including foreign currency contracts, denominated in U.S. currency totalling \$4,366,816,000 Cdn which represents 93% of the net asset value of the Fund (2009 - \$4,655,325,000 Cdn which represented 100% of the net asset value of the Fund). As at March 31, 2010, if the Canadian dollar had strengthened/ weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$43,668,000 Cdn (2009 - \$46,553,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements. CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

(\$000s)	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
<b>Money Market Investments</b>	-	21,689	21,689
<b>Public Equities</b>	4,671,593	-	4,671,593
<b>Total Investments</b>	4,671,593	21,689	4,693,282
<b>Foreign Currency Contracts</b>	-	(1)	(1)
<b>Futures Contracts</b>	(91)	-	(91)
<b>Total</b>	<b>4,671,502</b>	<b>21,688</b>	<b>4,693,190</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

(\$000s)	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	-	18,472	18,472
Public Equities	4,625,095	-	4,625,095
Total Investments	4,625,095	18,472	4,643,567
Foreign Currency Contracts	-	(19)	(19)
Futures Contracts	337	-	337
Total	4,625,432	18,453	4,643,885

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

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

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	1,647,549	1,383,168
Net receivable for variation on futures contracts (Schedule One)	-	192
Cash	2,452	845
Receivable from sale of investments	121,077	94,833
Receivable from issue of units	-	25,000
Accrued investment income	<u>2,065</u>	<u>2,628</u>
	<u>1,773,143</u>	<u>1,506,666</u>
<b>Liabilities</b>		
Net payable for variation on futures contracts (Schedule One)	22	-
Unrealized losses on foreign currency contracts (Schedule Two)	-	2
bcIMC funds management fees payable (note 8)	52	36
Payable for purchase of investments	121,870	119,138
External management fees payable	231	173
Custodial fees payable	24	24
Accounts payable	<u>4</u>	<u>4</u>
	<u>122,203</u>	<u>119,377</u>
<b>Net assets representing unitholders' equity</b>	<u>1,650,940</u>	<u>1,387,289</u>
Number of units outstanding (note 10)	<u>1,152,401</u>	<u>1,176,779</u>
<b>Net asset value per unit</b>	<u>1,433</u>	<u>1,179</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	38,492	24,359
Foreign exchange translation gains	-	16,132
	<u>38,492</u>	<u>40,491</u>
<b>Expenses (note 8):</b>		
Foreign exchange translation losses	1,066	-
Commissions and stock exchange fees	1,487	2,281
bcIMC funds management fees	837	555
External management fees	804	173
Custodial fees	129	96
Administrative and professional fees	<u>10</u>	<u>5</u>
	<u>4,333</u>	<u>3,110</u>
<b>Net investment income</b>	<u>34,159</u>	<u>37,381</u>
<b>Realized and unrealized gains (losses):</b>		
Net realized gain (loss)	38,168 <sup>1</sup>	(204,885) <sup>1</sup>
Change in unrealized gain (loss)	<u>222,512<sup>1</sup></u>	<u>(148,484)<sup>1</sup></u>
	<u>260,680</u>	<u>(353,369)</u>
<b>Net income (loss) from operations</b>	<u>294,839</u>	<u>(315,988)</u>
<b>Capital Transactions:</b>		
Proceeds from units issued	25,812	773,428
Amounts paid for units redeemed	<u>(57,000)</u>	<u>(224,188)</u>
	<u>(31,188)</u>	<u>549,240</u>
Increase in net assets	263,651	233,252
Net assets, beginning of year	1,387,289	1,155,427
Transitional adjustment (note 5)	<u>-</u>	<u>(1,390)</u>
<b>Net Assets, end of year</b>	<u>1,650,940</u>	<u>1,387,289</u>

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

(337,150)	172,918
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

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

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	294,839	(315,988)
Items not affecting cash:		
Net realized loss (gain)	(38,168)	204,885
Change in unrealized loss (gain)	(222,512)	148,484
	<u>34,159</u>	<u>37,381</u>
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	192	(135)
Receivable from sale of investments	(26,244)	14,747
Receivable from issue of units	25,000	63,000
Accrued investment income	563	(1,063)
Net payable for variation on futures contracts	22	-
bclMC funds management fees payable	16	(1)
Payable for purchase of investments	2,732	(75,144)
Payable for redemption of units	-	(3,000)
External management fees payable	58	173
Custodial fees payable	-	6
Accounts payable	-	1
	<u>36,498</u>	<u>35,965</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	1,183,299	1,908,325
Amounts paid for purchase of investments	(1,187,002)	(2,492,685)
	<u>(3,703)</u>	<u>(584,360)</u>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	25,812	773,428
Amounts paid for units redeemed	(57,000)	(224,188)
	<u>(31,188)</u>	<u>549,240</u>
<b>Increase in cash</b>	1,607	845
<b>Cash, beginning of year</b>	845	-
<b>Cash, end of year</b>	<u>2,452</u>	<u>845</u>

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Publicly Traded	1,638,282	1,589,866	1,366,524	1,540,792
<b>Money Market Investments:</b>				
U.S. Federal Government	3,043	3,066	3,779	3,765
Units of bclMC Pooled Investment Portfolio				
Fund ST1	486	486	46	46
Fund ST3	5,738	5,789	12,819	12,733
	<u>9,267</u>	<u>9,341</u>	<u>16,644</u>	<u>16,544</u>
<b>Total Investments</b>	<u>1,647,549</u>	<u>1,599,207</u>	<u>1,383,168</u>	<u>1,557,336</u>

**Schedule One - S&P 500 Equity Index Futures Contracts  
as at March 31**

Date	Number of Contracts	Expiry Date	Notional Value (\$ 000)	Net Receivable (Payable) (\$ 000)
2010	21	June 2010	6,206	(22)
2009	58	June 2009	14,760	192

\$3.0 million U.S. T-Bills (2009 - \$3.8 million Government of Canada T-Bills), maturing in June 2010 (June 2009) are held on margin for the equity index futures contracts. See note 7 for additional information on derivatives.

**Schedule Two - Foreign Currency Contracts  
as at March 31**

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Loss (\$000s)
2009	3	April 2009	25,000	(2)

There were no foreign currency contracts held on March 31, 2010.

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

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

**Financial Risk Management Discussion  
as at March 31**

The Enhanced Indexed U.S. Equity Fund (the Fund) differs from the Active US Equity Fund in that it takes a lower level of active management risk and will more closely reflect the sector and financial characteristics of the Fund's benchmark, the S&P 500 Index. The Fund's objective is to outperform the benchmark by 100 basis points per annum, net of investment expenses, on a four year moving average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of U.S. companies including preferred shares, instalment receipts, convertible securities, rights and warrants,
- exchange traded funds based on the Fund's Index,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- up to CAD \$200 Million in unleveraged S&P 500 Index Futures contracts,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- forward contracts for currency conversions and/or currency hedging,
- other derivative instruments with CIO approval , and
- units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

The following restrictions apply to the Fund:

- Up to 10% of the Fund's assets over any 12 month period may be invested in bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3. This constraint does not apply to money market securities held for futures.
- Investments in the securities of a single company are limited to 10% of the market value of the Fund.

Note 6 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

**Financial Risk Management Discussion (continued)  
as at March 31**

**Credit Risk**

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

**Interest Rate Risk**

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

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	<b>166,518</b>	<b>10.2%</b>	120,264	8.8%
<b>Consumer Staple</b>	<b>186,074</b>	<b>11.4%</b>	177,463	13.0%
<b>Energy</b>	<b>177,147</b>	<b>10.8%</b>	177,256	13.0%
<b>Financial Services</b>	<b>261,711</b>	<b>16.0%</b>	143,314	10.5%
<b>Health Care</b>	<b>204,363</b>	<b>12.5%</b>	213,140	15.5%
<b>Industrial Products</b>	<b>171,226</b>	<b>10.5%</b>	131,931	9.7%
<b>Information Technology</b>	<b>315,024</b>	<b>19.1%</b>	247,134	18.1%
<b>Materials and Processing</b>	<b>54,755</b>	<b>3.3%</b>	44,571	3.3%
<b>Telecommunication Services</b>	<b>46,695</b>	<b>2.9%</b>	54,895	4.0%
<b>Utilities</b>	<b>54,769</b>	<b>3.3%</b>	56,556	4.1%
<b>Total Equities</b>	<b>1,638,282</b>	<b>100.0%</b>	1,366,524	100.0%

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark would be an increase/decrease, respectively, of \$163,828,000 Cdn (2009 - \$132,553,000 Cdn). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis

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

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

**Financial Risk Management Discussion (continued)  
as at March 31**

and the difference could be material.

**Currency Risk**

The Fund holds net assets, including foreign currency contracts, denominated in U.S. currency totalling \$1,650,765,000 Cdn which represents 100% of the net asset value of the Fund (2009 - \$1,387,480,000 Cdn which represented 100% of the net asset value of the Fund). As at March 31, 2009, if the Canadian dollar had strengthened/weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$16,508,000 Cdn (2009 - \$13,875,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(\$000s)			
<b>Money Market Investments</b>	-	9,267	9,267
<b>Public Equities</b>	1,638,282	-	1,638,282
<b>Total Investments</b>	1,638,282	9,267	1,647,549
<b>Futures Contracts</b>	(22)	-	(22)
<b>Total</b>	<b>1,638,260</b>	<b>9,267</b>	<b>1,647,527</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(\$000s)			
<b>Money Market Investments</b>	-	16,644	16,644
<b>Public Equities</b>	1,366,524	-	1,366,524
<b>Total Investments</b>	1,366,524	16,644	1,383,168
<b>Foreign Currency Contracts</b>	-	(2)	(2)
<b>Futures Contracts</b>	192	-	192
<b>Total</b>	<b>1,366,716</b>	<b>16,642</b>	<b>1,383,358</b>

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

**INDEXED U.S. VALUE EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	830,806	664,308
Net receivable for variation on futures contracts (Schedule One)	-	132
Cash	-	2
Receivable from sale of investments	2,560	56
Accrued investment income	1,273	2,187
Withholding taxes receivable	24	30
	<u>834,663</u>	<u>666,715</u>
<b>Liabilities</b>		
Net payable for variation on futures contracts (Schedule One)	17	-
bclMC funds management fees payable (note 8)	20	17
Payable for purchase of investments	2,849	-
Custodial fees payable	5	15
Accounts payable	5	4
	<u>2,896</u>	<u>36</u>
<b>Net assets representing unitholders' equity</b>	<u>831,767</u>	<u>666,679</u>
Number of units outstanding (note 10)	<u>643,554</u>	<u>643,554</u>
<b>Net asset value per unit</b>	<u>1,292</u>	<u>1,036</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	25,516	27,652
Foreign exchange translation gains	-	1,006
	<u>25,516</u>	<u>28,658</u>
<b>Expenses (note 8):</b>		
Foreign exchange losses	501	-
Commissions and stock exchange fees	78	47
bclMC funds management fees	322	361
Custodial fees	21	55
Administrative and professional fees	6	7
	<u>928</u>	<u>470</u>
<b>Net investment income</b>	<u>24,588</u>	<u>28,188</u>
<b>Realized and unrealized gains (losses):</b>		
Net realized loss	(56,113) <sup>1</sup>	(85,508) <sup>1</sup>
Change in unrealized gain (loss)	196,613 <sup>1</sup>	(242,344) <sup>1</sup>
	<u>140,500</u>	<u>(327,852)</u>
<b>Net income (loss) from operations</b>	<u>165,088</u>	<u>(299,664)</u>
<b>Capital Transactions:</b>		
Proceeds from units issued	195,871	37,824
Amounts paid for units redeemed	(195,871)	(37,824)
	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	165,088	(299,664)
Net assets, beginning of year	666,679	967,883
Transitional adjustment (note 5)	-	(1,540)
<b>Net Assets, end of year</b>	<u>831,767</u>	<u>666,679</u>

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

(194,151)	216,305
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**INDEXED U.S. VALUE EQUITY FUND**

**Financial Risk Management Discussion  
as at March 31**

The Indexed U.S. Value Equity Fund (the Fund) provides clients with a style of investing called value investing which focuses on companies that have attractive valuations, such as low price to book value ratio (P/BV ratio).

The investment objective of the Fund is to provide clients with similar risk and return characteristics to the S&P500/Citigroup Value Index, the Fund's benchmark. The performance objective of the Fund is to match the benchmark's total return, net of investment costs.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of benchmark member companies including preferred shares, instalment receipts, convertible securities, rights and warrants,
- exchange traded funds based on the Fund's Index,
- up to CAD \$200 million in unleveraged S&P 500/Citigroup Value Index and/or S&P 500 Index Futures contracts,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- other derivative instruments with CIO approval ,
- Forward contracts for currency conversions and/or currency hedging, and
- units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

The following restrictions apply to the Fund:

- Up to 0.5% of the Fund's assets may be invested in bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3. This constraint does not apply to money market securities held for futures.
- Investments in the securities of a single company are limited to 10% of the market value of the Fund.

Note 6 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

**Financial Risk Management Discussion (continued)  
as at March 31**

**Credit Risk**

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

**Interest Rate Risk**

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

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	<b>91,644</b>	<b>11.1%</b>	61,195	9.3%
<b>Consumer Staple</b>	<b>100,529</b>	<b>12.2%</b>	84,482	12.9%
<b>Energy</b>	<b>83,098</b>	<b>10.1%</b>	20,444	3.1%
<b>Financial Services</b>	<b>210,428</b>	<b>25.4%</b>	119,058	18.2%
<b>Health Care</b>	<b>89,715</b>	<b>10.9%</b>	102,022	15.6%
<b>Industrial Products</b>	<b>98,908</b>	<b>11.9%</b>	76,995	11.7%
<b>Information Technology</b>	<b>46,571</b>	<b>5.6%</b>	48,886	7.5%
<b>Materials and Processing</b>	<b>20,430</b>	<b>2.5%</b>	26,158	4.0%
<b>Telecommunication Services</b>	<b>31,112</b>	<b>3.8%</b>	55,355	8.4%
<b>Utilities</b>	<b>52,449</b>	<b>6.3%</b>	60,013	9.2%
<b>Other</b>	<b>1,317</b>	<b>0.2%</b>	832	0.1%
<b>Total Equities</b>	<b>826,201</b>	<b>100.0%</b>	655,440	100.0%

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark would be an increase/decrease, respectively, of \$82,620,000 Cdn (2009 - \$64,233,000 Cdn). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the

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

**INDEXED U.S. VALUE EQUITY FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

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

**Currency Risk**

The Fund holds net assets, including foreign currency contracts, denominated in U.S. currency totalling \$831,740,000 Cdn which represents 100% of the net asset value of the Fund (2009 - \$666,685,000 Cdn which represented 100% of the net asset value of the Fund). As at March 31, 2010, if the Canadian dollar had strengthened/weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively by \$8,317,000 Cdn (2009 - \$6,667,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(\$000s)			
<b>Money Market Investments</b>	-	4,605	4,605
<b>Public Equities</b>	826,201	-	826,201
<b>Total Investments</b>	826,201	4,605	830,806
<b>Futures Contracts</b>	(17)	-	(17)
<b>Total</b>	<b>826,184</b>	<b>4,605</b>	<b>830,789</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(\$000s)			
Money Market Investments	-	8,868	8,868
Public Equities	655,440	-	655,440
Total Investments	655,440	8,868	664,308
Futures Contracts	132	-	132
Total	655,572	8,868	664,440

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

**INDEXED U.S. VALUE EQUITY FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	165,088	(299,664)
Items not affecting cash:		
Net realized loss (gain)	56,113	85,508
Change in unrealized loss (gain)	(196,613)	242,344
	24,588	28,188
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	132	(119)
Receivable from sale of investments	(2,504)	6,819
Accrued investment income	914	(23)
Withholding taxes receivable	6	(5)
Net payable for variation on futures contract	17	-
bcIMC funds management fees payable	3	(4)
Payable for purchase of investments	2,849	(1,137)
Custodial fees payable	(10)	2
Accounts payable	1	2
	25,996	33,723
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	358,271	258,779
Amounts paid for purchase of investments	(384,269)	(292,511)
	(25,998)	(33,732)
<b>Cash flows from financing activities</b>		
Proceeds from units issued	195,871	37,824
Amounts paid for units redeemed	(195,871)	(37,824)
	-	-
<b>Decrease in cash</b>	(2)	(9)
<b>Cash, beginning of year</b>	2	11
<b>Cash, end of year</b>	-	2

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Publicly Traded	826,201	1,144,120	655,440	1,170,021
<b>Money Market Investments:</b>				
U.S. Federal Government	2,029	2,044	2,519	2,510
Units of bcIMC Pooled Investment Portfolio				
Fund ST1	57	57	31	31
Fund ST3	2,519	2,547	6,318	6,321
	4,605	4,648	8,868	8,862
<b>Total Investments</b>	<u>830,806</u>	<u>1,148,768</u>	<u>664,308</u>	<u>1,178,883</u>

**Schedule One - S&P 500 Equity Index Futures Contracts  
as at March 31**

Date	Number of Contracts	Expiry Date	Notional Value (\$ 000)	Net Payable (\$ 000)
2010	16	June 2010	4,729	(17)

  

Date	Number of Contracts	Expiry Date	Notional Value (\$ 000)	Net Receivable (\$ 000)
2009	40	June 2009	10,156	132

\$2.0 million (2009 - \$2.5 million) U.S. T-Bills, maturing in June 2010 (June 2009) are held on margin for the equity index futures contracts. See note 7 for additional information on derivatives.

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

**U.S. SOCIAL INDEX FUND**

**Statement of Net Assets  
as at March 31  
(in \$000s except number of units outstanding)**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	422,499	343,175
Cash	1	3
Accrued investment income	451	481
	<u>422,951</u>	<u>343,659</u>
<b>Liabilities</b>		
bciMC funds management fees payable (note 8)	22	17
Custodial fees payable	5	5
Accounts payable	5	4
	<u>32</u>	<u>26</u>
<b>Net assets representing unitholders' equity</b>	<u>422,919</u>	<u>343,633</u>
Number of units outstanding (note 10)	<u>490,668</u>	<u>490,668</u>
<b>Net asset value per unit</b>	<u>862</u>	<u>700</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

**Statement of Operations and Changes in Net Assets  
for the year ended March 31  
(in \$000s)**

	<u>2010</u>	<u>2009</u>
Investment Income	7,530	10,234
Foreign exchange translation gains	-	84
	<u>7,530</u>	<u>10,318</u>
<b>Expenses (note 8):</b>		
Commissions and stock exchange fees	135	8
bciMC funds management fees	305	369
Custodial fees	23	20
Administrative and professional fees	5	5
	<u>468</u>	<u>402</u>
<b>Net investment income</b>	<u>7,062</u>	<u>9,916</u>
<b>Realized and unrealized gains (losses):</b>		
Net realized loss	(18,201) <sup>1</sup>	(25,706) <sup>1</sup>
Change in unrealized gain (loss)	90,425 <sup>1</sup>	(71,965) <sup>1</sup>
	<u>72,224</u>	<u>(97,671)</u>
<b>Net income (loss) from operations</b>	<u>79,286</u>	<u>(87,755)</u>
<b>Capital Transactions:</b>		
Proceeds from units issued	87,328	27,141
Amounts paid for units redeemed	(87,328)	(27,141)
	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	79,286	(87,755)
Net assets, beginning of year	343,633	431,839
Transitional adjustment (note 5)	-	(451)
<b>Net Assets, end of year</b>	<u>422,919</u>	<u>343,633</u>

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

(83,770)	77,567
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**U.S. SOCIAL INDEX FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	79,286	(87,755)
Items not affecting cash:		
Net realized loss (gain)	18,201	25,706
Change in unrealized loss (gain)	(90,425)	71,965
	7,062	9,916
Changes in non-cash operating accounts:		
Accrued investment income	30	(22)
bclMC funds management fees payable	5	(4)
Accounts payable	1	1
	7,098	9,891
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	72,755	74,631
Amounts paid for purchase of investments	(79,855)	(84,520)
	(7,100)	(9,889)
<b>Cash flows from financing activities</b>		
Proceeds from units issued	87,328	27,141
Amounts paid for units redeemed	(87,328)	(27,141)
	-	-
<b>Increase (decrease) in cash</b>	(2)	2
<b>Cash, beginning of year</b>	3	1
<b>Cash, end of year</b>	1	3

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Publicly Traded	422,241	482,406	342,443	493,033
<b>Money Market Investments:</b>				
Units of bclMC Pooled Investment Portfolio				
Fund ST1	33	33	32	32
Fund ST3	225	228	700	703
	258	261	732	735
<b>Total Investments</b>	422,499	482,667	343,175	493,768

See accompanying Notes to Financial Statements.

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

**U.S. SOCIAL INDEX FUND**

**Financial Risk Management Discussion  
as at March 31**

The investment objective of the U.S. Social Index Fund (the Fund) is to provide participating clients with similar risk and return characteristics to the Domini 400 Social Index (DSI), the Fund's benchmark.

The DSI incorporates environmental, social, and governance principles in its investment selection process and is modeled on the S&P 500 index. The DSI uses negative screens to exclude companies which have any exposure to tobacco, alcohol, gambling, nuclear power, and companies that derive more than two percent of their revenues from military weapons systems. As well, the DSI incorporates positive qualitative screens to include companies that exhibit desirable social traits such as: strong community relations, workforce diversity, good employee relations, and sustainable environmental practices.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of benchmark member companies including preferred shares, exchange traded trust units, instalment receipts, convertible securities, rights and warrants,
- exchange traded funds with similar screening criteria,
- forward contracts for currency conversions and/or currency hedging,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- other derivative instruments with CIO approval , and
- units of bcIMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

Note 6 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**

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

**Financial Risk Management Discussion (continued)  
as at March 31**

**Interest Rate Risk**

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

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
Consumer Discretionary	51,338	12.2%	39,670	11.6%
Consumer Staple	54,177	12.8%	56,471	16.5%
Energy	21,241	5.0%	14,845	4.3%
Financial Services	58,595	13.9%	43,748	12.8%
Health Care	61,582	14.6%	56,981	16.6%
Industrial Products	35,741	8.5%	25,663	7.5%
Information Technology	112,506	26.6%	80,032	23.3%
Materials and Processing	10,688	2.5%	8,928	2.6%
Telecommunication Services	9,221	2.2%	10,152	3.0%
Utilities	6,857	1.6%	5,430	1.6%
Other	295	0.1%	523	0.2%
<b>Total Equities</b>	<b>422,241</b>	<b>100.0%</b>	<b>342,443</b>	<b>100.0%</b>

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark would be an increase/decrease, respectively, of \$42,224,000 Cdn (2009 - \$34,244,000 Cdn). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**U.S. SOCIAL INDEX FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

**Currency Risk**

The Fund holds net assets denominated in U.S. currency totalling \$422,917,000 Cdn which represents 100% of the net asset value of the Fund (2009 - \$343,627,000 Cdn which represented 100% of the net asset value of the Fund). As at March 31, 2009, if the Canadian dollar had strengthened/ weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have decreased/increased, respectively, by \$4,229,000 Cdn (2009 - \$3,436,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements. CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(\$000s)			
<b>Money Market Investments</b>	-	258	258
<b>Public Equities</b>	422,241	-	422,241
<b>Total Investments</b>	422,241	258	422,499

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(\$000s)			
Money Market Investments	-	732	732
Public Equities	342,443	-	342,443
Total Investments	342,443	732	343,175

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

**ACTIVE EMERGING MARKETS EQUITY FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	2,049,862	212,742
Unrealized gains on foreign currency contracts (Schedule One)	-	2
Cash	24,212	2,471
Receivable from sale of investments	9,669	1,208
Receivable from issue of units	200,000	150
Accrued investment income	3,889	444
Withholding taxes receivable	5	1
	<u>2,287,637</u>	<u>217,018</u>
<b>Liabilities</b>		
Unrealized losses on foreign currency contracts (Schedule One)	161	-
bclMC funds management fees payable (note 8)	28	4
Payable for purchase of investments	198,098	36
External management fees payable	2,896	690
Custodial fees payable	391	133
Accounts payable	6	6
	<u>201,580</u>	<u>869</u>
<b>Net assets representing unitholders' equity</b>	<u>2,086,057</u>	<u>216,149</u>
Number of units outstanding (note 10)	<u>2,302,044</u>	<u>329,479</u>
<b>Net asset value per unit</b>	<u>906</u>	<u>656</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	22,367	4,582
Foreign exchange translation gains	29,055	6,490
	<u>51,422</u>	<u>11,072</u>
<b>Expenses (note 8):</b>		
Commissions and stock exchange fees	6,069	1,221
bclMC funds management fees	332	56
External management fees	8,667	1,250
Custodial fees	1,365	420
Administrative and professional fees	66	6
	<u>16,499</u>	<u>2,953</u>
<b>Net investment income</b>	<u>34,923</u>	<u>8,119</u>
<b>Realized and unrealized gains (losses):</b>		
Net realized gain (loss)	30,467 <sup>1</sup>	(44,071) <sup>1</sup>
Change in unrealized gain (loss)	197,997 <sup>1</sup>	(13,396) <sup>1</sup>
	<u>228,464</u>	<u>(57,467)</u>
<b>Net income (loss) from operations</b>	<u>263,387</u>	<u>(49,348)</u>
<b>Capital Transactions:</b>		
Proceeds from units issued	1,684,785	129,884
Amounts paid for units redeemed	(78,264)	(8,359)
	<u>1,606,521</u>	<u>121,525</u>
Increase in net assets	1,869,908	72,177
Net assets, beginning of year	216,149	143,972
<b>Net Assets, end of year</b>	<u>2,086,057</u>	<u>216,149</u>

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

(151,254)	(23,933)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**ACTIVE EMERGING MARKETS EQUITY FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	263,387	(49,348)
Items not affecting cash:		
Net realized loss (gain)	(30,467)	44,071
Change in unrealized loss (gain)	(197,997)	13,396
	34,923	8,119
Changes in non-cash operating accounts:		
Receivable from sale of investments	(8,461)	(1,208)
Receivable from issue of units	(199,850)	143,850
Accrued investment income	(3,445)	(444)
Withholding taxes receivable	(4)	(1)
bclMC funds management fees payable	24	4
Payable for purchase of investments	198,062	36
External management fees payable	2,206	690
Custodial fees payable	258	133
Accounts payable	-	6
	23,713	151,185
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	679,329	167,296
Amounts paid for purchase of investments	(2,287,822)	(437,535)
	(1,608,493)	(270,239)
<b>Cash flows from financing activities</b>		
Proceeds from units issued	1,684,785	129,884
Amounts paid for units redeemed	(78,264)	(8,359)
	1,606,521	121,525
<b>Increase in cash</b>	21,741	2,471
<b>Cash, beginning of year</b>	2,471	-
<b>Cash, end of year</b>	24,212	2,471

**Statement of Investments  
as at March 31  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Publicly Traded	2,049,631	1,864,897	212,704	226,131
<b>Money Market Investments:</b>				
Units in bclMC Pooled Investment Portfolio Fund ST1	231	232	38	38
<b>Investments</b>	<u>2,049,862</u>	<u>1,865,129</u>	<u>212,742</u>	<u>226,169</u>

**Schedule One - Foreign Currency Contracts  
as at March 31**

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain (Loss) (\$000s)
2010	11	April 2010	97,861	(161)
			<u>97,861</u>	<u>(161)</u>
			Notional Value (\$000s)	Unrealized Gain (Loss) (\$000s)
2009	8	April 2009	554	2
			<u>554</u>	<u>2</u>

See accompanying Notes to Financial Statements.

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

**ACTIVE EMERGING MARKETS EQUITY FUND**

**Financial Risk Management Discussion  
as at March 31**

The investment objective of the Active Emerging Markets Equity Fund (the Fund) is to provide 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 Morgan Stanley Capital International (MSCI) Emerging Markets Net Index, the Fund's benchmark. The objective of the Fund is to exceed 200 basis points per annum over the benchmark, net of all expenses incurred, on a four year moving average.

The Fund can hold the following securities:

- publicly traded common stock or common stock equivalents of companies listed on an emerging markets exchange or included in the MSCI emerging market index, or companies listed on a developed market exchange or included in the MSCI developed market index provided that 50% or more of those companies' assets, revenues or profits are derived from emerging markets,
- exchange traded funds based on the Index or countries/regions within the Index,
- international exchange-listed depository receipts of companies listed on an emerging markets exchange or included in the MSCI emerging market index, or of companies listed on a developed market exchange or included in the MSCI developed market index provided that 50% or more of those companies' assets, revenues or profits are derived from emerging markets,
- units in Managers' pooled funds provided such holdings are permissible investments for the Fund,
- private placements (defined as off-exchange purchase of securities that have limited transferability) with CIO approval,
- foreign exchange contracts for currency conversions and/or currency hedging
- other derivative instruments with CIO approval , and
- money market securities rated A-1(Low) or better, and units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

The following restrictions apply to the Fund:

- Up to 20% of the Fund's assets over any 3 month period, or up to 15% over any 12 month period, may be invested in money market securities rated A-1(Low) or

**Financial Risk Management Discussion (continued)  
as at March 31**

better, and bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

- Investments in the securities of a single company are limited to 10% of the market value of the Fund.

Note 6 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**

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

**Interest Rate Risk**

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

**Other Price Risk**

*Equity by Industry Sector*

Industry sectors to which the Fund had exposure as at March 31 are as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
Consumer Discretionary	154,522	7.5%	12,000	5.6%
Consumer Staple	268,136	13.1%	17,770	8.4%
Energy	248,038	12.1%	35,090	16.5%
Financial Services	481,372	23.4%	41,122	19.4%
Health Care	76,674	3.7%	14,860	7.0%
Industrial Products	118,502	5.8%	12,316	5.8%
Information Technology	220,748	10.8%	22,281	10.5%
Materials and Processing	247,127	12.1%	27,315	12.8%
Telecommunication Services	40,759	2.0%	27,042	12.7%
Utilities	135,145	6.6%	2,427	1.1%
Other	58,608	2.9%	481	0.2%
<b>Total Equities</b>	<b>2,049,631</b>	<b>100.0%</b>	<b>212,704</b>	<b>100.0%</b>

*See accompanying Notes to Financial Statements*

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

**ACTIVE EMERGING MARKETS EQUITY FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Fund's benchmark over the next year would be an increase/decrease, respectively, of \$198,814,000 Cdn (2009 - \$20,120,000 Cdn). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

*Equity by Geographic Region*

Geographic regions to which the Fund had exposure as at March 31 are as follows:

GEOGRAPHIC REGION (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
Argentina	194	-	-	-
Austria	1,732	0.1%	-	-
Bermuda	13,070	0.6%	3,159	1.5%
Brazil	501,316	24.6%	32,929	15.5%
Canada	2,836	0.1%	-	-
Cayman Islands	-	-	5,521	2.6%
Chile	27,489	1.3%	3,310	1.6%
China	200,046	9.8%	18,858	8.9%
Columbia	2,165	0.1%	-	-
Egypt	11,728	0.6%	4,416	2.1%
Hong Kong	27,638	1.3%	13,520	6.4%
Hungary	19,914	1.0%	771	0.4%
India	349,300	17.0%	22,075	10.4%
Indonesia	45,202	2.2%	2,165	1.0%
Israel	33,709	1.6%	12,070	5.7%
Korea	156,295	7.6%	17,675	8.3%
Luxembourg	11,651	0.6%	-	-
Malaysia	49,688	2.4%	3,082	1.4%
Mexico	151,274	7.4%	9,629	4.5%
Netherlands	7,534	0.4%	-	-
<b>Subtotal</b>	<b>1,612,781</b>	<b>78.7%</b>	<b>149,180</b>	<b>70.3%</b>

**Financial Risk Management Discussion (continued)  
as at March 31**

GEOGRAPHIC REGION (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Subtotal</b>	<b>1,612,781</b>	<b>78.7%</b>	149,180	70.3%
Peru	3,962	0.2%	1,534	0.7%
Philippines	23,266	1.1%	2,636	1.2%
Poland	4,545	0.2%	-	-
Russia	65,201	3.2%	11,186	5.3%
Singapore	-	-	1,435	0.7%
South Africa	108,168	5.3%	16,023	7.5%
Switzerland	-	-	473	0.2%
Taiwan	110,778	5.4%	21,428	10.0%
Thailand	49,042	2.4%	1,689	0.8%
Turkey	37,230	1.8%	5,549	2.6%
United Kingdom	30,946	1.5%	840	0.4%
United States	3,712	0.2%	731	0.3%
<b>Total Equities</b>	<b>2,049,631</b>	<b>100.0%</b>	<b>212,704</b>	<b>100.0%</b>

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

**ACTIVE EMERGING MARKETS EQUITY FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

**Currency Risk**

As at March 31, the Fund held foreign denominated net assets, including foreign currency contracts, which resulted in net exposure to the following currencies:

CURRENCY (\$000s)	2010		2009	
	Total	% of Net Asset Value	Total	% of Net Asset Value
Brazilian Real	230,945	11.1%	16,899	7.8%
British Pound Sterling	30,151	1.4%	-	-
Chilean Peso	2,575	0.1%	477	0.2%
Egyptian Pound	11,728	0.6%	3,808	1.8%
Euro	5,764	0.3%	694	0.3%
Hong Kong Dollar	203,254	9.7%	34,186	15.8%
Hungarian Forint	19,914	1.0%	771	0.4%
Indian Rupee	42,254	2.0%	21,518	10.0%
Indonesian Rupiah	308,948	14.8%	2,166	1.0%
Israeli Ringgit	8,844	0.4%	5,340	2.5%
Korean Won	152,892	7.3%	17,701	8.2%
Malaysian Ringgit	49,836	2.4%	3,082	1.4%
Mexican Peso	63,928	3.1%	2,377	1.1%
Philippines Peso	17,160	0.8%	1,591	0.7%
Polish Zloty	4,545	0.2%	-	-
Singapore Dollar	-	-	1,436	0.7%
South African Rand	102,272	4.9%	15,877	7.3%
Swiss Franc	-	-	473	0.2%
Taiwan Dollar	105,392	5.1%	19,370	9.0%
Thai Baht	46,998	2.3%	1,689	0.8%
Turkish Lira	37,615	1.8%	4,358	2.0%
United States Dollar	424,372	20.3%	62,854	29.1%
<b>Net Exposure</b>	<b>1,869,387</b>	<b>89.6%</b>	<b>216,667</b>	<b>100.3%</b>

As at March 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, respectively, by \$19,657,000 Cdn (2009 - \$2,167,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as of March 31:

(\$000s)	2010		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Money Market Investments	-	231	231
Public Equities	2,049,573	58	2,049,631
<b>Total Investments</b>	<b>2,049,573</b>	<b>289</b>	<b>2,049,862</b>
Foreign Currency Contracts	-	(161)	(161)
<b>Total</b>	<b>2,049,573</b>	<b>128</b>	<b>2,049,701</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

(\$000s)	2009		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Money Market Investments	-	38	38
Public Equities	212,704	-	212,704
<b>Total Investments</b>	<b>212,704</b>	<b>38</b>	<b>212,742</b>
Foreign Currency Contracts	-	2	2
<b>Total</b>	<b>212,704</b>	<b>40</b>	<b>212,744</b>

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

**U.S. DOLLAR CURRENCY HEDGING FUND**

**Statement of Net Assets**

**as at March 31**

**(in \$000s except number of units outstanding)**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	329,132	166,246
Unrealized gain on foreign currency contracts (Schedule One)	23,566	10,695
Receivable from issue of units	12,838	-
	<u>365,536</u>	<u>176,941</u>
<b>Liabilities</b>		
Unrealized loss on foreign currency contracts (Schedule One)	1,498	866
bciMC funds management fees payable (note 8)	13	26
Payable for purchase of investments	6,400	-
Payable from redemption of units	12,838	-
Accounts payable	5	4
	<u>20,754</u>	<u>896</u>
<b>Net assets representing unitholders' equity</b>	<u>344,782</u>	<u>176,045</u>
Number of units outstanding (note 10)	<u>2,171,310</u>	<u>2,745,005</u>
<b>Net asset value per unit</b>	<u>159</u>	<u>64</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

**for the year ended March 31**

**(in \$000s)**

	<u>2010</u>	<u>2009</u>
Investment Income	6,679	8,714
Expenses (note 8):		
bciMC funds management fees	375	516
Custodial fees	6	13
Administrative and professional fees	6	8
	<u>387</u>	<u>537</u>
<b>Net investment income</b>	<u>6,292</u>	<u>8,177</u>
Realized and unrealized gains (losses):		
Net realized gain (loss)	169,743 <sup>1</sup>	(407,338) <sup>1</sup>
Change in unrealized gain	59,957 <sup>1</sup>	116,342 <sup>1</sup>
	<u>229,700</u>	<u>(290,996)</u>
<b>Net income (loss) from operations</b>	235,992	(282,819)
Capital Transactions:		
Proceeds from units issued	61,973	330,524
Amounts paid for units redeemed	(129,228)	(425,651)
	<u>(67,255)</u>	<u>(95,127)</u>
Increase (decrease) in net assets	168,737	(377,946)
Net assets, beginning of year	<u>176,045</u>	<u>553,991</u>
<b>Net Assets, end of year</b>	<u>344,782</u>	<u>176,045</u>

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

188,802	(217,061)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**U.S. DOLLAR CURRENCY HEDGING FUND**

**Statement of Cash Flows  
for the year ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income (loss) from operations	235,992	(282,819)
Items not affecting cash:		
Net realized loss (gain)	(169,743)	407,338
Change in unrealized loss (gain)	<u>(59,957)</u>	<u>(116,342)</u>
	6,292	8,177
Changes in non-cash operating accounts:		
Receivable from issue of units	(12,838)	(16,351)
bclMC funds management fees payable	(13)	10
Payable for purchase of investments	6,400	16,351
Payable from redemption of units	12,838	-
Accounts payable	<u>1</u>	<u>(3)</u>
	<u>12,680</u>	<u>8,184</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments		
Amounts paid for purchase of investments	10,082,951	23,103,818
	<u>(10,028,376)</u>	<u>(23,016,875)</u>
	<u>54,575</u>	<u>86,943</u>
<b>Cash flows from financing activities</b>		
Proceeds from units issued		
Amounts paid for units redeemed	61,973	330,524
	<u>(129,228)</u>	<u>(425,651)</u>
	<u>(67,255)</u>	<u>(95,127)</u>
<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  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Units of bclMC				
S&P 500 Index Equity Fund	<u>328,868</u>	<u>319,627</u>	166,118	204,612
<b>Money Market Investments:</b>				
Units of bclMC Pooled Investment Portfolio				
Fund ST2	206	206	42	42
Fund ST3	<u>58</u>	<u>61</u>	86	72
	<u>264</u>	<u>267</u>	128	114
<b>Total Investments</b>	<u>329,132</u>	<u>319,894</u>	<u>166,246</u>	<u>204,726</u>

**Schedule One - Foreign Currency Contracts  
as at March 31**

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain (Loss) (\$000s)
2010	11	April 2010	1,080,477	23,070
2010	2	May 2010	241,537	496
			<u>1,322,014</u>	<u>23,566</u>
2010	2	April 2010	241,536	(498)
2010	3	May 2010	309,984	(1,000)
			<u>551,520</u>	<u>(1,498)</u>
Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain (Loss) (\$000s)
2009	5	April 2009	428,260	1,095
2009	3	June 2009	443,441	9,600
			<u>871,701</u>	<u>10,695</u>
2009	2	May 2009	<u>123,945</u>	<u>(866)</u>

See accompanying Notes to Financial Statements.

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

**U.S. DOLLAR CURRENCY HEDGING FUND**

**Financial Risk Management Discussion  
as at March 31**

The U.S. Dollar Currency Hedging Fund (the Fund) is intended to hedge currency exposures resulting from foreign investment activities. The purpose is to consolidate hedging contracts across clients in order to increase counterparty diversification, increase operational efficiency, and spread maturity dates over a broader term structure.

The Fund can hold the following securities:

- spot currencies, swaps, forward contracts, and futures,
- equity index futures or units in bclMC's Pooled Investment Portfolio indexed equity funds, and
- money market securities rated A-1(Low) or better, and units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

The following restrictions apply to the Fund:

- The marked-to-market value of the security position and cash holdings must be positive (i.e., leverage is not permitted).
- Forward contract counterparties 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.
- Swap counterparties are restricted to financial institutions that are rated AA- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

Note 6 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 foreign currency contracts which inherently have counterparty risk. The established minimum credit ratings for the counterparties outlined above mitigate the counterparty risk.

**Other Price Risk**

The Fund is exposed to other price risk through the holding of units in the S&P 500 Equity Fund. The Fund's proportionate exposure to industry sectors as at March 31 based on the

**Financial Risk Management Discussion (continued)  
as at March 31**

underlying equities and other net assets held by the S&P 500 Equity Fund is as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	<b>33,083</b>	<b>10.1%</b>	14,427	8.7%
<b>Consumer Staple</b>	<b>36,811</b>	<b>11.2%</b>	21,108	12.7%
<b>Energy</b>	<b>35,584</b>	<b>10.8%</b>	21,442	12.9%
<b>Financial Services</b>	<b>53,996</b>	<b>16.4%</b>	17,808	10.8%
<b>Health Care</b>	<b>39,743</b>	<b>12.1%</b>	25,197	15.2%
<b>Industrial Products</b>	<b>34,335</b>	<b>10.4%</b>	16,002	9.6%
<b>Information Technology</b>	<b>61,731</b>	<b>18.8%</b>	29,629	17.8%
<b>Materials and Processing</b>	<b>11,372</b>	<b>3.5%</b>	5,470	3.3%
<b>Telecommunication Services</b>	<b>9,185</b>	<b>2.8%</b>	6,551	3.9%
<b>Utilities</b>	<b>11,289</b>	<b>3.4%</b>	7,117	4.3%
<b>Total Underlying Equities</b>	<b>327,127</b>	<b>99.5%</b>	164,751	99.2%
<b>Other Underlying Net Assets</b>	<b>1,741</b>	<b>0.5%</b>	1,367	0.8%
<b>Total Fair Value of Equity Units</b>	<b>328,868</b>	<b>100.0%</b>	166,118	100.0%

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the S&P 500 Equity Fund's benchmark would be an increase/decrease, respectively, of \$32,713,000 Cdn (2009 - \$16,446,000 Cdn). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Currency Risk**

The Fund holds cash and investments denominated in U.S. currency totalling \$338,345,000 (2009 - \$166,206,000). It also holds net foreign currency contracts payable denominated in U.S. currency totalling \$748,426,000 Cdn (2009 - \$985,817,000 Cdn). As at March 31, if the Canadian dollar had strengthened/ weakened by 1 percent in relation to the U.S. currency, holding all other variables constant, net assets would have increased/decreased, respectively, by \$4,101,000 Cdn (2009 - \$8,213,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**U.S. DOLLAR CURRENCY HEDGING FUND**

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements. CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments.

The following is a summary of the inputs used to value the Fund's investments and derivatives as at March 31 based on a proportionate share of the underlying equities and other net assets held by the S&P 500 Equity Fund:

(\$000s)	2010		Total
	Quoted Price Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Cash and Cash Equivalents	1,741	-	1,741
Money Market Investments	-	264	264
Public Equities	327,127	-	327,127
<b>Total Investments</b>	<b>328,868</b>	<b>264</b>	<b>329,132</b>
Foreign Currency Contracts	-	22,068	22,068
<b>Total</b>	<b>328,868</b>	<b>22,332</b>	<b>351,200</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

(\$000s)	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Cash and Cash Equivalents	1,367	-	1,367
Money Market Investments	-	128	128
Public Equities	164,751	-	164,751
<b>Total Investments</b>	<b>166,118</b>	<b>128</b>	<b>166,246</b>
Foreign Currency Contracts	-	9,829	9,829
<b>Total</b>	<b>166,118</b>	<b>9,957</b>	<b>176,075</b>

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.



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

**JAPANESE YEN CURRENCY HEDGING FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Investments at fair value	41,233	32,608
Unrealized gain on foreign currency contracts (Schedule One)	18,105	20,619
Receivable from sale of investments	734	3,650
	<u>60,072</u>	<u>56,877</u>
<b>Liabilities</b>		
Unrealized loss on foreign currency contracts (Schedule One)	390	-
bclMC funds management fees payable (note 8)	11	21
Payable for redemption of units	734	3,650
Accounts payable	5	4
	<u>1,140</u>	<u>3,675</u>
<b>Net assets representing unitholders' equity</b>	<u>58,932</u>	<u>53,202</u>
Number of units outstanding (note 10)	<u>15,150</u>	<u>31,367</u>
<b>Net asset value per unit</b>	<u>3,890</u>	<u>1,696</u>



Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the year ended March 31

(in \$000s)

	<u>2010</u>	<u>2009</u>
Investment Income	2,473	393
Expenses (note 8):		
bclMC funds management fees	233	67
External management fees	(4)	-
Custodial fees	16	3
Administrative and professional fees	5	4
	<u>250</u>	<u>74</u>
<b>Net investment income</b>	<u>2,223</u>	<u>319</u>
Realized and unrealized gains (losses):		
Net realized gain	56,529 <sup>1</sup>	2,435 <sup>1</sup>
Change in unrealized gain (loss)	(1,900) <sup>1</sup>	20,446 <sup>1</sup>
	<u>54,629</u>	<u>22,881</u>
<b>Net income from operations</b>	<u>56,852</u>	<u>23,200</u>
Capital Transactions:		
Proceeds from units issued	5,730	37,160
Amounts paid for units redeemed	(56,852)	(7,158)
	<u>(51,122)</u>	<u>30,002</u>
Increase in net assets	5,730	53,202
Net assets, beginning of year	53,202	-
<b>Net Assets, end of year</b>	<u>58,932</u>	<u>53,202</u>

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

42,758	23,085
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS**

**JAPANESE YEN CURRENCY HEDGING FUND**

**Statement of Cash Flows  
for the four months ended March 31  
(in \$000s)**

	2010	2009
<b>Cash flow provided by (used for):</b>		
<b>Cash flows from operating activities</b>		
Net income from operations	56,852	23,200
Items not affecting cash:		
Net realized loss (gain)	(56,529)	(2,435)
Change in unrealized loss (gain)	1,900	(20,446)
	<u>2,223</u>	<u>319</u>
Changes in non-cash operating accounts:		
Receivable from sale of investments	2,916	(3,650)
bclMC funds management fees payable	(10)	21
Payable for redemption of units	(2,916)	3,650
Accounts payable	1	4
	<u>2,214</u>	<u>344</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	4,568,979	1,191,447
Amounts paid for purchase of investments	(4,520,071)	(1,221,793)
	<u>48,908</u>	<u>(30,346)</u>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	5,730	37,160
Amounts paid for units redeemed	(56,852)	(7,158)
	<u>(51,122)</u>	<u>30,002</u>
<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  
(in \$000s)**

	2010		2009	
	Fair Value	Cost	Fair Value	Cost
<b>Equities:</b>				
Units of bclMC				
Active Japan Equity Fund	41,160	40,330	-	-
Indexed EAFE Equity Fund	-	-	32,484	32,657
	<u>41,160</u>	<u>40,330</u>	<u>32,484</u>	<u>32,657</u>
<b>Money Market Investments:</b>				
Units of bclMC Pooled				
Investment Portfolio Fund ST2	73	72	124	124
	<u>73</u>	<u>72</u>	<u>124</u>	<u>124</u>
<b>Total Investments</b>	<u>41,233</u>	<u>40,402</u>	<u>32,608</u>	<u>32,781</u>

**Schedule One - Foreign Currency Contracts  
as at March 31**

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain (Loss) (\$000s)
2010	2	April 2010	284,595	18,105
2010	1	April 2010	10,390	(390)
			<u>294,985</u>	<u>17,715</u>
Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain (\$000s)
2009	3	April 2009	80,951	7,512
2009	4	May 2009	210,000	13,107
			<u>290,951</u>	<u>20,619</u>

See accompanying Notes to Financial Statements.

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

**JAPANESE YEN CURRENCY HEDGING FUND**

**Financial Risk Management Discussion  
as at March 31**

The Japanese Yen Currency Hedging Fund is intended to hedge currency exposures resulting from foreign investment activities. The purpose is to consolidate hedging contracts across clients in order to increase counterparty diversification, increase operational efficiency, and spread maturity dates over a broader term structure

The Fund can hold the following securities:

- spot currencies, swaps, forward contracts, and futures,
- equity index futures or units in bclMC's indexed equity funds, and
- money market securities rated A-1(Low) or better, and units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

The following restrictions apply to the Fund:

- The marked-to-market value of the security position and cash holdings must be positive (i.e., leverage is not permitted).
- Forward contract counterparties 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.
- Swap counterparties are restricted to financial institutions that are rated AA- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

Note 6 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 foreign currency contracts which inherently have counterparty risk. The established minimum credit ratings for the counterparties outlined above mitigate the counterparty risk.

**Other Price Risk**

The Fund is exposed to other price risk through the holding of units in the Active Japan Equity Fund (2009 – Indexed EAFE Equity Fund). The Fund's proportionate exposure to industry sectors as at March 31 based on the underlying equities and other net assets held

**Financial Risk Management Discussion (continued)  
as at March 31**

by the Active Japan Equity Fund (2009 - Indexed EAFE Equity Fund) is as follows:

INDUSTRY SECTOR (in \$000s)	2010		2009	
	Total	% of Total	Total	% of Total
<b>Consumer Discretionary</b>	<b>8,211</b>	<b>19.9%</b>	3,275	10.1%
<b>Consumer Staple</b>	<b>2,176</b>	<b>5.3%</b>	3,378	10.3%
<b>Energy</b>	<b>442</b>	<b>1.1%</b>	2,986	9.2%
<b>Financial Services</b>	<b>7,018</b>	<b>17.1%</b>	6,836	21.0%
<b>Health Care</b>	<b>2,221</b>	<b>5.4%</b>	3,085	9.5%
<b>Industrial Products</b>	<b>7,746</b>	<b>18.8%</b>	3,655	11.3%
<b>Information Technology</b>	<b>5,896</b>	<b>14.3%</b>	1,732	5.3%
<b>Materials and Processing</b>	<b>3,360</b>	<b>8.2%</b>	2,785	8.6%
<b>Telecommunication Services</b>	<b>1,415</b>	<b>3.4%</b>	2,195	6.8%
<b>Utilities</b>	<b>2,254</b>	<b>5.5%</b>	2,261	7.0%
<b>Total Underlying Equities</b>	<b>40,739</b>	<b>99.0%</b>	32,188	99.1%
<b>Other Underlying Net Assets</b>	<b>421</b>	<b>1.3%</b>	296	0.9%
<b>Total Fair Value of Equity Units</b>	<b>41,160</b>	<b>100.3%</b>	32,484	100.0%

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Active Japan Equity Fund's (2009 - Indexed EAFE Equity's) benchmark would be an increase/decrease, respectively, of \$4,033,000 Cdn (2009 - \$3,247,000 Cdn). This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**JAPANESE YEN CURRENCY HEDGING FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

**Currency Risk**

As at March 31, the Fund held foreign denominated net assets which resulted in net exposure to the following currencies:

CURRENCY (\$000s)	2010			% of Net Asset Value
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	
Japanese Yen	41,085	(256,490)	(215,405)	(404.9%)
United States Dollar	65	0	65	0.1%
	<b>41,150</b>	<b>(256,490)</b>	<b>(215,340)</b>	<b>(404.8%)</b>

  

CURRENCY (\$000s)	2009			% of Net Asset Value
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	
Australian Dollar	2,227	-	2,227	4.2%
British Pound Sterling	6,287	-	6,287	11.8%
Danish Krone	280	-	280	0.5%
Euro	10,952	-	10,952	20.6%
Hong Kong Dollar	747	-	747	1.4%
Japanese Yen	27,005	(270,322)	(243,317)	(457.3%)
New Zealand Dollar	25	-	25	0.0%
Norwegian Krone	235	-	235	0.4%
Singapore Dollar	376	-	376	0.7%
Swedish Krona	727	-	727	1.4%
Swiss Franc	2,653	-	2,653	5.0%
United States Dollar	17	-	17	0.0%
	<b>51,531</b>	<b>(270,322)</b>	<b>(218,791)</b>	<b>(411.3%)</b>

As at March 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have increased/decreased, respectively, by \$2,153,000 Cdn (2009 - \$2,187,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments

The following is a summary of the inputs used to value the Fund's investments and derivatives as at March 31 based on a proportionate share of the underlying equities and other net assets held by the Active Japan Equity Fund (2009 – the Indexed EAFE Equity Fund):

(\$000s)	2010		Total
	Quoted Price Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Cash and Cash Equivalents	421	-	421
Money Market Investments	-	73	73
Public Equities	40,739	-	40,739
<b>Total Investments</b>	<b>41,160</b>	<b>73</b>	<b>41,233</b>
Foreign Currency Contracts	-	17,715	17,715
<b>Total</b>	<b>41,160</b>	<b>17,788</b>	<b>58,948</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.

The following is a summary of the inputs used to value the Fund's investments as of March 31, 2009:

(\$000s)	2009		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Cash and Cash Equivalents	296	-	296
Money Market Investments	-	124	124
Public Equities	32,188	-	32,188
<b>Total Investments</b>	<b>32,484</b>	<b>124</b>	<b>32,608</b>
Foreign Currency Contracts	-	20,619	20,619
<b>Total</b>	<b>32,484</b>	<b>20,743</b>	<b>53,227</b>

During 2009, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2009.

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

**EURO CURRENCY HEDGING FUND**

**Statement of Net Assets**

as at March 31

(in \$000s except number of units outstanding)

	<b>2010</b>
	<b>(note 1)</b>
<b>Assets</b>	
Investments at fair value	50,757
Unrealized gain on foreign currency contracts (Schedule One)	25,169
Receivable from issue of units	1,322
	<b>77,248</b>
<b>Liabilities</b>	
Unrealized loss on foreign currency contracts (Schedule One)	2,187
bclMC funds management fees payable (note 8)	5
Payable from redemption of units	1,322
Accounts payable	5
	<b>3,519</b>
<b>Net assets representing unitholders' equity</b>	<b>73,729</b>
Number of units outstanding (note 10)	50,000
<b>Net asset value per unit</b>	<b>1,475</b>

Doug Pearce  
Chief Executive Officer  
Chief Investment Officer

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

for the period ended March 31

(in \$000s)

	<b>2010</b>
	<b>(note 1)</b>
Investment Income	219
Expenses (note 8):	
bclMC funds management fees	8
Custodial fees	2
Administrative and professional fees	5
	<b>15</b>
<b>Net investment income</b>	<b>204</b>
Unrealized gains:	
Change in unrealized gain	23,525 <sup>1</sup>
	<b>23,525</b>
<b>Net income from operations</b>	<b>23,729</b>
Capital Transactions:	
Proceeds from units issued	51,322
Amounts paid for units redeemed	(1,322)
	<b>50,000</b>
Increase in net assets	73,729
Net assets, beginning of period	-
<b>Net Assets, end of period</b>	<b>73,729</b>

<sup>1</sup> The change in unrealized gain includes the following exchange gains:

22,982

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

**EURO CURRENCY HEDGING FUND**

**Statement of Cash Flows  
for the period ended March 31  
(in \$000s)**

	<u>2010</u> (note 1)
<b>Cash flow provided by (used for):</b>	
<b>Cash flows from operating activities</b>	
Net income from operations	23,729
Items not affecting cash:	
Change in unrealized loss (gain)	<u>(23,525)</u>
	204
Changes in non-cash operating accounts:	
Receivable from issue of units	(1,322)
bclMC funds management fees payable	5
Payable from redemption of units	1,322
Accounts payable	<u>5</u>
	<u>214</u>
<b>Cash flows from investing activities</b>	
Proceeds from sale of investments	73
Amounts paid for purchase of investments	<u>(50,287)</u>
	<u>(50,214)</u>
<b>Cash flows from financing activities</b>	
Proceeds from units issued	51,322
Amounts paid for units redeemed	<u>(1,322)</u>
	<u>50,000</u>
<b>Increase in cash</b>	-
<b>Cash, beginning of period</b>	<u>-</u>
<b>Cash, end of period</b>	<u><u>-</u></u>

**Statement of Investments  
as at March 31  
(in \$000s)**

	<u>2010</u>	
	<u>Fair Value</u>	<u>Cost</u>
<b>Equities:</b>		
Units of bclMC Indexed European Equity Fund	50,717	50,174
<b>Money Market Investments:</b>		
Units of bclMC Pooled Investment Portfolio Fund ST2	<u>40</u>	<u>40</u>
<b>Total Investments</b>	<u><u>50,757</u></u>	<u><u>50,214</u></u>

**Schedule One - Foreign Currency Contracts  
as at March 31**

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain (Loss) (\$000s)
2010	8	April 2010	<u>740,450</u>	<u>25,169</u>
2010	3	May 2010	<u>357,641</u>	<u>(2,187)</u>

See accompanying Notes to Financial Statements.

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

**EURO CURRENCY HEDGING FUND**

**Financial Risk Management Discussion  
as at March 31**

The Euro Currency Hedging Fund is intended to hedge currency exposures resulting from foreign investment activities. The purpose is to consolidate hedging contracts across clients in order to increase counterparty diversification, increase operational efficiency, and spread maturity dates over a broader term structure

The Fund can hold the following securities:

- spot currencies, swaps, forward contracts, and futures,
- equity index futures or units in bclMC's indexed equity funds, and
- money market securities rated A-1(Low) or better, and units of bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

The following restrictions apply to the Fund:

- The marked-to-market value of the security position and cash holdings must be positive (i.e., leverage is not permitted).
- Forward contract counterparties 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.
- Swap counterparties are restricted to financial institutions that are rated AA- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency.

Note 6 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 foreign currency contracts which inherently have counterparty risk. The established minimum credit ratings for the counterparties outlined above mitigate the counterparty risk.

**Other Price Risk**

The Fund is exposed to other price risk through the holding of units in the Indexed European Equity Fund. The Fund's proportionate exposure to industry sectors as at March 31 based on the underlying equities and other net assets held by the Indexed

**Financial Risk Management Discussion (continued)  
as at March 31**

European Equity Fund is as follows:

INDUSTRY SECTOR (in \$000s)	2010	
	Total	% of Total
Consumer Discretionary	3,770	7.4%
Consumer Staple	6,092	12.0%
Energy	5,559	11.0%
Financial Services	12,007	23.8%
Health Care	5,139	10.1%
Industrial Products	5,078	10.0%
Information Technology	1,532	3.0%
Materials and Processing	4,934	9.7%
Telecommunication Services	3,404	6.7%
Utilities	3,046	6.0%
<b>Total Underlying Equities</b>	<b>50,561</b>	<b>99.7%</b>
<b>Other Underlying Net Assets</b>	<b>156</b>	<b>0.3%</b>
<b>Total Fair Value of Equity Units</b>	<b>50,717</b>	<b>100.0%</b>

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Indexed European Equity Fund's benchmark would be an increase/ decrease, respectively, of \$5,072,000 Cdn. This forecast is estimated based on the risk/return characteristics of the Fund's benchmark and the Fund's actual holdings as at March 31, 2010, and assuming all other variables are held constant. BarraOne, a product of MSCI Barra Inc., is used to forecast the Fund's beta and provide other analytics and data that are used in the preparation of the forecast. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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

**EURO CURRENCY HEDGING FUND**

**Financial Risk Management Discussion (continued)  
as at March 31**

**Currency Risk**

As at March 31, the Fund held foreign denominated net assets which resulted in net exposure to the following currencies:

CURRENCY (\$000s)	2010			% of Net Asset Value
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	
British Pound Sterling	15,636	(35)	15,601	21.2%
Danish Krone	735	-	735	1.0%
Euro	25,415	(359,785)	(334,370)	(453.5%)
Norwegian Krone	576	-	576	0.8%
Swedish Krona	2,160	(8)	2,152	2.9%
Swiss Franc	6,157	-	6,157	8.4%
United States Dollar	37	-	37	0.1%
<b>Net Exposure</b>	<b>50,716</b>	<b>(359,828)</b>	<b>(309,112)</b>	<b>(419.1%)</b>

As at March 31, if the Canadian dollar had strengthened/weakened by 1 percent in relation to all other currencies, holding all other variables constant, net assets would have increased/decreased, respectively, by \$3,091,000 Cdn. In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**Fair Value Measurement Discussion  
as at March 31**

As described in note 3 of the financial statements, CICA 3862, Financial Instruments - Disclosures establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments

The following is a summary of the inputs used to value the Fund's investments and derivatives as at March 31 based on a proportionate share of the underlying equities and other net assets held by the Indexed European Equity Fund:

(\$000s)	2010		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Cash and Cash Equivalents	135	-	135
Money Market Investments	-	40	40
Public Equities	50,581	-	50,581
Rights	1	-	1
<b>Total Investments</b>	<b>50,717</b>	<b>40</b>	<b>50,757</b>
Foreign Currency Contracts	-	22,982	22,982
<b>Total</b>	<b>50,717</b>	<b>23,022</b>	<b>73,739</b>

During 2010, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's investments and derivatives as at March 31, 2010.



**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
 POOLED INVESTMENT PORTFOLIOS  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2010**

**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 (the Funds) 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 Money Market, Bond, Equity, and Currency Hedging Funds were established on the following dates:

<b>Pooled Investment Portfolios</b>	<b>Date Established</b>
Canadian Money Market Fund (ST1)	April 21, 1986
Canadian Money Market Fund (ST2)	September 19, 1986
US Dollar Money Market Fund (ST3)	August 1, 1990
Global Government Bond Fund*	October 30, 2009
British Columbia Focus Fund	March 31, 1994
Indexed Canadian Equity Fund	December 12, 1989
Active Canadian Equity Fund	July 26, 1990
Enhanced Indexed Canadian Equity Fund	November 27, 2002
Active U.S. Equity Fund	October 20, 1993
Indexed U.S. Equity Fund (formerly S & P 500 Index Equity Fund)	February 6, 1995
Enhanced Indexed U.S. Equity Fund	September 1, 1998
Indexed U.S. Value Equity Fund (formerly U.S. Value Index Equity Fund)	October 13, 2000
U.S. Social Index Fund (formerly U.S. Social Index Equity Fund)	October 31, 2006
Active Emerging Markets Equity Fund	March 31, 2008
U.S. Dollar Currency Hedging Fund	June 23, 2003
Japanese Yen Currency Hedging Fund	November 21, 2008
Euro Currency Hedging Fund*	February 4, 2010

\*As these Funds were established in fiscal 2010, no comparative figures have been presented in the respective financial statements.

**2. Significant Accounting Policies**

a) Basis of Presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). Certain comparative figures have been reclassified to conform to presentation adopted in the current year.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION  
POOLED INVESTMENT PORTFOLIOS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2010**

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

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 provided by recognized data suppliers in the securities industry.
- (ii) Bonds, debentures, real return bonds, and public equities (including exchange traded funds) are valued at bid prices on the valuation date. Securities not listed on any stock exchange, or which are traded over-the-counter, are valued in the same manner based on available public quotes from recognized data suppliers in the securities industry or at the price estimated by the fund manager to be the fair value.
- (iii) Derivatives, including foreign currency contracts, are valued at the quoted market prices for the underlying assets or at prevailing spot and forward exchange rates on the valuation date. Swaps and options are valued based on the quoted market prices for the underlying assets or other accepted industry valuation methods where there are no quoted market prices.

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. 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.

Gains and losses on the settlement of foreign currency contracts and on the sale of investments are recorded as net realized gains and losses. Gains and losses on the sale of investments are calculated as the difference between the sales proceeds and cost. Translation gains and losses on foreign denominated monetary balances are recorded as foreign exchange gains and losses. The year-over-year change in the difference between the fair value and the cost of investments and foreign currency contracts held at year end is recognized as an unrealized gain or loss. The cost used for the calculation of realized gains and losses and change in unrealized gains and losses is based on historical cost for foreign exchange contracts, average cost for equities, and amortized cost for money market securities, bonds and mortgages. 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.

d) Issue and Redemption of Units

Participation in each Fund is expressed in units. The initial value of a unit of a Fund on inception is \$1 million (U.S. \$1 million for the US Dollar Money Market Fund (ST3), the Active U.S. Equity Fund, the Indexed U.S. Equity Fund (formerly S & P 500 Index Equity Fund), the Enhanced Indexed U.S. Equity Fund and the Indexed U.S. Value Equity Fund (formerly 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 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.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION**  
**POOLED INVESTMENT PORTFOLIOS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2010**

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

All of the Funds, except the British Columbia Focus Fund 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. 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 Funds 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 Funds are presented in Canadian dollars except for Canadian Money Market (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) include foreign currency translation gains (losses) on investments, which have been disclosed in each Statement of Operations and Changes in Net Assets.

f) Income Taxes

Under paragraph 104(6) of the *Income Tax Act (Canada)*, the Funds may deduct from their taxable income any amounts that are distributed to beneficiaries (i.e. unitholders) and are taxable in their hands. All income and net taxable capital gains earned by the Funds are distributed to the unitholders through either actual cash distributions or an increase in the tax cost of the units prior to the end of each calendar year, resulting in no Canadian taxes being payable by the Funds. The intermediary holding corporations held by the Funds are exempt from Canadian tax under section 149 (1)(o.2) of the *Income Tax Act (Canada)*.

g) Use of Estimates

Financial statements prepared in accordance 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, management reviews and assesses external managers' estimates and assumptions regarding investment industry performance and prospects, as well as general business and economic conditions that prevail or are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

**3. Adoption of Accounting Standards in Current Fiscal Year**

The Funds adopted the amendments to CICA 3862, *Financial Instruments – Disclosures* on April 1, 2009. CICA 3862 establishes a fair value hierarchy that categorizes the inputs used to calculate a financial instrument's fair value. The hierarchy contains three "levels" of fair value inputs as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability (i.e. quoted prices of similar securities, Bank of Canada rates, commercial credit spreads).
- Level 3 - Inputs for the asset or liability that are not based on observable market data, either directly or indirectly (i.e. budgeted or forecast revenue or net income, weighted average cost of capital).

Changes in valuation methods may result in transfers of investments between levels. See additional discussion on the three-tier hierarchy in the Fair Value Measurement Discussion following each Fund's financial statements.

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**4. Future Accounting Changes**

In January 2006, the Accounting Standards Board (AcSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of this plan, accounting standards in Canada are expected to converge with International Financial Reporting Standards (IFRS) in 2011. Management continues to monitor and assess the impact of convergence of Canadian GAAP and IFRS, and has assigned appropriate resources to facilitate compliance. The Funds' date of transition for reporting purposes will be April 1, 2011 following which date all financial information will be reported in accordance with IFRS on a go forward basis, but including comparative amounts for the year ended March 31, 2011. As at March 31, 2010, management does not believe the impact on net assets from the changeover to IFRS will be significant. The impact of adopting IFRS is expected to be mainly in presentation and additional disclosures in the financial statements of the Funds.

**5. Reconciliation of Net Asset Value**

The calculation of net asset values (NAV) of the Funds for financial reporting purposes (GAAP NAV) requires investments to be valued using the bid price where securities are traded in an active market. To be consistent with the investment funds industry and the Rules and Policies implemented by the Canadian Securities Administrators, the Funds determine NAV for purposes of transacting purchases and redemptions of units of Funds (Transactional NAV) based upon either last sale price or the mid-point between bid and asked quotations. Reconciliations between the Transactional NAV and GAAP NAV as at March 31, 2010 follow:

Fund	Net Asset Values			Net Asset Values per Unit		
	Transactional NAV (\$000s)	Bid Pricing Impact (\$000s)	GAAP NAV (\$000s)	Transactional NAV per Unit (\$000s)	Bid Pricing Impact (\$000s)	GAAP NAV per Unit (\$000s)
Canadian Money Market Fund (ST1)	2,042,130	-	2,042,130	3,565	-	3,565
Canadian Money Market Fund (ST2)	1,850,393	-	1,850,393	3,738	-	3,738
US Dollar Money Market Fund (ST3)	87,579	-	87,579	2,183	-	2,183
Global Government Bond Fund	580,473	124	580,349	1,010	-	1,010
British Columbia Focus Fund	52	-	52	981	-	981
Indexed Canadian Equity Fund	5,773,987	10,078	5,763,909	4,916	8	4,908
Active Canadian Equity Fund	2,168,337	4,081	2,164,256	6,722	13	6,709
Enhanced Indexed Canadian Equity Fund	3,916,709	-	3,909,893	2,310	4	2,306
Active U.S. Equity Fund	1,731,920	448	1,731,472	3,658	1	3,657
Indexed U.S. Equity Fund	4,696,409	822	4,695,587	3,275	-	3,275
Enhanced Indexed U.S. Equity Fund	1,651,239	299	1,650,940	1,433	-	1,433
Indexed U.S. Value Equity Fund	831,961	194	831,767	1,293	1	1,292
U.S. Social Index Fund	422,997	78	422,919	862	-	862
Active Emerging Markets Equity Fund	2,086,171	114	2,086,057	906	-	906
U.S. Dollar Currency Hedging Fund	344,782	-	344,782	159	-	159
Japanese Yen Currency Hedging Fund	58,932	-	58,932	3,890	-	3,890
Euro Currency Hedging Fund	73,729	-	73,729	1,475	-	1,475

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**5. Reconciliation of Net Asset Value**

Reconciliations between the Transactional NAV and GAAP NAV as at March 31, 2009 follow:

Fund	Net Asset Values			Net Asset Values per Unit		
	Transactional NAV (\$000s)	Bid Pricing Impact (\$000s)	GAAP NAV (\$000s)	Transactional NAV per Unit (\$000s)	Bid Pricing Impact (\$000s)	GAAP NAV per Unit (\$000s)
Canadian Money Market Fund (ST1)	4,318,820	-	4,318,820	3,557	-	3,557
Canadian Money Market Fund (ST2)	2,197,362	-	2,197,362	3,716	-	3,716
US Dollar Money Market Fund (ST3)	128,606	-	128,606	2,181	-	2,181
British Columbia Focus Fund	460	-	460	1,333	-	1,333
Indexed Canadian Equity Fund	4,956,290	(27,986)	4,928,304	3,486	(20)	3,466
Active Canadian Equity Fund	1,854,557	(10,603)	1,843,954	4,661	(27)	4,634
Enhanced Indexed Canadian Equity Fund	2,808,687	(15,730)	2,792,957	1,644	(9)	1,635
Active U.S. Equity Fund	1,798,472	(3,361)	1,795,111	2,943	(5)	2,938
Indexed U.S. Equity Fund	4,663,471	(7,822)	4,655,649	2,716	(5)	2,711
Enhanced Indexed U.S. Equity Fund	1,389,641	(2,352)	1,387,289	1,181	(2)	1,179
Indexed U.S. Value Equity Fund	667,782	(1,103)	666,679	1,038	(2)	1,036
U.S. Social Index Fund	344,175	(542)	343,633	701	(1)	700
Active Emerging Markets Equity Fund	216,206	(57)	2,086,057	656	-	656
U.S. Dollar Currency Hedging Fund	176,045	-	176,045	64	-	64
Japanese Yen Currency Hedging Fund	53,202	-	53,202	1,696	-	1,696

The Funds adopted the use of bid prices for financial reporting effective April 1, 2008 and accordingly a transition adjustment was recorded to the opening balances of net assets for each Fund, as applicable.

**6. Financial Risk Management**

Each Fund has its own investment objectives. Each Fund's overall risk management program seeks to minimize the potentially adverse effect of risk on the Fund's financial performance in a manner consistent with the Fund's 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 and other price risk). The level of risk varies depending on the investment objective of a Fund and the type of investments it holds.

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**6. Financial Risk Management (continued)**

a) Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment it has entered into, resulting in a financial loss to the Fund. The market value of fixed income instruments and derivatives involves assessing the credit worthiness of the issuer, and represents the maximum credit risk exposure for a Fund. To avoid undue credit risk, the Funds have established specific investment criteria, such as minimum credit ratings for investees and counterparties, and maximum concentrations with given counterparties. All investment transactions are settled or paid upon delivery with approved brokers. The risk of default is considered minimal since the delivery of securities sold is only made after the broker has received 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 following each Fund's financial statements.

b) Liquidity Risk

Liquidity risk is the risk that a Fund will be unable to generate sufficient cash in a timely manner or at a reasonable price to meet commitments as they come 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 in accordance with the Fund's purchasing limits that may be established by the Chief Investment Officer. 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.

c) Interest Rate Risk

Interest rate risk is the risk that the market value or cash flows of interest-bearing investments will fluctuate due to 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 benchmark to avoid undue interest rate risk. See additional discussion of interest rate risk in the Financial Risk Management Discussion following each Fund's financial statements.

d) Currency Risk

Currency risk is the risk that the value of investments denominated in foreign currencies 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 foreign denominated net assets 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. See additional discussion of currency risk in the Financial Risk Management Discussion following each Fund's financial statements.

e) Other Price Risk

Other price risk is the risk that the value of an investment will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). These changes can be caused by factors specific to the individual investment or class of investment, or factors affecting all investments. 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, except for options and future contracts. The Funds may not sell short or borrow securities, or purchase securities on margin, which limits the potential loss of capital. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk. See additional discussion of other price risk in the Financial Risk Management Discussion following each Fund's financial statements

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**6. Financial Risk Management (continued)**

f) Fair Value of Investment-Related Assets and Liabilities

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

**7. Derivatives**

Derivative contracts are financial contracts, the value of which is derived from the value of underlying assets, indexes, interest rates or currency exchange rates. Derivative transactions are conducted either in the over-the-counter market directly between the two counterparties or on regulated exchange markets. The Funds 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 Funds during the year include 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 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 Fund 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 at a point in time 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 unexpired foreign currency contracts as at March 31 are included in Unrealized Gains (Losses) on Foreign Currency Contracts on the Statements of Net Assets and included in the Change in Unrealized Gain (Loss) on the Statements of Operations and Changes in Net Assets. The notional amount, number of contracts and expiry periods for the foreign currency contracts are shown in the schedules, following the Statement of Investments, for each Fund that holds them.

**8. Expenses**

Third party costs that are attributable to a specific Fund are charged to that Fund. Other costs initially borne by bcIMC are recovered from the various Funds in which client participate by bcIMC charging management fees, which are calculated on a cost recovery basis.

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**9. Termination of Funds**

The Indexed Government Bond Fund, Long Term Bond Fund and the British Pound Currency Hedging Funds were terminated on October 8, September 24, and September 15, 2009, respectively, and all of the outstanding units were redeemed. The following table shows the net assets in the Funds at time of termination and the income earned by the Funds during the periods from April 1, 2009 until the respective termination date.

<b>Fund</b>	<b>Net Assets on Wind Up (in \$ millions)</b>	<b>Net Income from Operations (in \$ millions)</b>	<b>Realized Gain (in \$ millions)</b>	<b>Change in Unrealized Gain (Loss) (in \$ millions)</b>
Indexed Government Bond Fund	21.5	0.4	0.8	0.8
Long Term Bond Fund	151.0	13.7	11.9	(25.5)
British Pound Currency Hedging Fund	1.4	0.9	6.9	6.4

**10. Units Outstanding**

Units issued and outstanding represent the capital of each Fund. The Funds are not permitted to issue debt as part of their capital structure. bcIMC manages the capital of the Funds in accordance with the respective Fund's investment objectives, including managing liquidity in order to meet redemptions as discussed in note 6. The Statement of Operations and Changes in Net Assets identifies changes in each Fund's capital during the period. The following is a summary of the changes in units outstanding during the year:

	<b>CANADIAN MONEY MARKET FUND (ST1)</b>		<b>CANADIAN MONEY MARKET FUND (ST2)</b>		<b>US DOLLAR MONEY MARKET FUND (ST3)</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Outstanding, beginning of year	1,214.300	1,030.600	591.346	709.262	58.975	66.255
Issued	12,470.772	11,562.073	2,128.550	2,975.862	573.594	744.199
Redeemed	(13,112.273)	(11,378.373)	(2,224.888)	(3,093.778)	(592.447)	(751.479)
Outstanding, end of year	<u>572.799</u>	<u>1,214.300</u>	<u>495.008</u>	<u>591.346</u>	<u>40.122</u>	<u>58.975</u>
	<b>GLOBAL GOVERNMENT BOND FUND</b>		<b>BRITISH COLUMBIA FOCUS FUND</b>		<b>INDEXED CANADIAN EQUITY FUND</b>	
	<b>2010</b>		<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>(note 1)</b>					
Outstanding, beginning of year	-		0.345	.799	1,421.713	1,039.812
Issued	574.555		-	-	132.196	449.792
Redeemed	-		(0.292)	(0.454)	(379.407)	(67.891)
Outstanding, end of year	<u>574.555</u>		<u>0.053</u>	<u>0.345</u>	<u>1,174.502</u>	<u>1,421.713</u>



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**10. Units Outstanding (continued)**

	<b>ACTIVE CANADIAN EQUITY FUND</b>		<b>ENHANCED INDEXED CANADIAN EQUITY FUND</b>		<b>ACTIVE U.S. EQUITY FUND</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Outstanding, beginning of year	397.924	584.147	1,708.387	771.819	611.010	696.370
Issued	-	16.706	3.818	982.205	17.339	33.962
Redeemed	(75.339)	(202.929)	(16.551)	(45.637)	(154.832)	(119.322)
Outstanding, end of year	<u>322.585</u>	<u>397.924</u>	<u>1,695.654</u>	<u>1,708.387</u>	<u>473.517</u>	<u>611.010</u>
	<b>INDEXED U.S. EQUITY FUND</b>		<b>ENHANCED INDEXED U.S. EQUITY FUND</b>		<b>INDEXED U.S. VALUE EQUITY FUND</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Outstanding, beginning of year	1,717.350	1,598.892	1,176.779	731.673	643.554	643.554
Issued	152.654	664.638	20.931	624.549	106.646	30.003
Redeemed	(436.194)	(546.180)	(45.309)	(179.443)	(106.646)	(30.003)
Outstanding, end of year	<u>1,433.810</u>	<u>1,717.350</u>	<u>1,152.401</u>	<u>1,176.779</u>	<u>643.554</u>	<u>643.554</u>
	<b>U.S. SOCIAL INDEX FUND</b>		<b>ACTIVE EMERGING MARKETS EQUITY FUND</b>		<b>U.S DOLLAR CURRENCY HEDGING FUND</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Outstanding, beginning of year	490.668	490.668	329.479	144.000	2,745.005	62.799
Issued	82.169	33.774	2,068.618	199.484	503.834	3,887.839
Redeemed	(82.169)	(33.774)	(95.653)	(14.005)	(1,077.529)	(1,205.633)
Outstanding, end of year	<u>490.668</u>	<u>490.668</u>	<u>2,302.444</u>	<u>329.479</u>	<u>2,171.310</u>	<u>2,745.005</u>

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**10. Units Outstanding (continued)**

	JAPANESE YEN CURRENCY HEDGING FUND		EURO CURRENCY HEDGING FUND
	2010	2009	2010 (note 1)
Outstanding, beginning of year	31.367	-	-
Issued	2.068	36.707	50.896
Redeemed	(18.285)	(5.340)	(0.896)
Outstanding, end of year	<u>15.150</u>	<u>31.367</u>	<u>50.000</u>