
BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
GROUP OF FUNDS

Canadian Money Market Fund ST1
Canadian Money Market Fund ST2
U.S. Dollar Money Market Fund ST3
Global Government Bond Fund
Active Canadian Equity Fund
Enhanced Indexed Canadian Equity Fund
Indexed Canadian Equity Fund
Active U.S. Equity Fund
Enhanced Indexed U.S. Equity Fund
Indexed U.S. Equity Fund
U.S. Social Index Fund
Active Emerging Markets Equity Fund
Japanese Yen Currency Hedging Fund
Euro Currency Hedging Fund

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012

**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 year ended March 31, 2012:

Canadian Money Market Fund (ST1)	Enhanced Indexed Canadian Equity Fund	U.S. Social Index Fund
Canadian Money Market Fund (ST2)	Indexed Canadian Equity Fund	Active Emerging Markets Equity Fund
U.S. Dollar Money Market Fund (ST3)	Active U.S. Equity Fund	Japanese Yen Currency Hedging Fund
Global Government Bond Fund	Enhanced Indexed U.S. Equity Fund	Euro Currency Hedging Fund
Active Canadian Equity Fund	Indexed U.S. 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 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 LLP 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.

[s] Doug Pearce

Doug Pearce
Chief Executive Officer / Chief Investment Officer

[s] David Woodward

David Woodward
Vice President, Finance & Operations

Victoria, British Columbia
August 23, 2012



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Canada

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Independent Auditors' Report

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

Canadian Money Market Fund (ST1)	Active U.S. Equity Fund
Canadian Money Market Fund (ST2)	Enhanced Indexed U.S. Equity Fund
U.S. Dollar Money Market Fund (ST3)	Indexed U.S. Equity Fund
Global Government Bond Fund	U.S. Social Index Equity Fund
Active Canadian Equity Fund	Active Emerging Markets Equity Fund
Enhanced Indexed Canadian Equity Fund	Japanese Yen Currency Hedging Fund
Indexed Canadian Equity Fund	Euro Currency Hedging Fund

(collectively, the Funds)

We have audited the accompanying financial statements of the Funds, which comprise the statement of net assets and investments of the Funds as at March 31, 2012 and their statements of operations and changes in net assets, and of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, these financial statements present fairly, in all material respects, the net assets and investments of the Funds as at March 31, 2012 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.

KPMG LLP

Chartered Accountants

August 23, 2012

Vancouver, Canada

**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>2012</u>	<u>2011</u>
Assets		
Investments at fair value	\$ 1,267,842	\$ 1,136,363
Cash	-	7
Accrued investment income	67	-
	<u>1,267,909</u>	<u>1,136,370</u>
Liabilities		
bclMC funds management fees payable (note 4)	45	45
Custodial fees payable	14	14
Accounts payable	2	-
	<u>61</u>	<u>59</u>
Net assets representing unitholders' equity	<u>\$ 1,267,848</u>	<u>\$ 1,136,311</u>
Number of units outstanding (note 5)	<u>349,551</u>	<u>316,346</u>
Net asset value per unit (note 6)	<u>\$ 3,627</u>	<u>\$ 3,592</u>

Statement of Operations and Changes in Net Assets

for the year ended March 31

(in \$000s)

	<u>2012</u>	<u>2011</u>
Investment Income	\$ 24,935	\$ 18,586
Expenses (note 4):		
bclMC funds management fees	785	724
Custodial fees	52	55
Administrative and professional fees	5	5
	<u>842</u>	<u>784</u>
Net investment income	<u>24,093</u>	<u>17,802</u>
Realized and unrealized gains (losses):		
Net realized gain	36	25
Change in unrealized gain (loss)	(14)	8
	<u>22</u>	<u>33</u>
Net income from operations	<u>24,115</u>	<u>17,835</u>
Capital Transactions:		
Proceeds from units issued	54,806,491	51,021,902
Amounts paid for units redeemed	(54,699,069)	(51,945,556)
	<u>107,422</u>	<u>(923,654)</u>
Increase (decrease) in net assets	131,537	(905,819)
Net assets, beginning of year	<u>1,136,311</u>	<u>2,042,130</u>
Net Assets, end of year	<u>\$ 1,267,848</u>	<u>\$ 1,136,311</u>

[s] Doug Pearce

Doug Pearce
Chief Executive Officer
Chief Investment Officer

**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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income from operations	\$ 24,115	\$ 17,835
Items not affecting cash:		
Amortization of premiums and discounts	(18,548)	(17,089)
Net realized gain	(36)	(25)
Change in unrealized loss (gain)	14	(8)
	<u>5,545</u>	<u>713</u>
Changes in non-cash operating accounts:		
Accrued investment income	(67)	-
bcIMC funds management fees payable	-	12
Custodial fees payable	-	4
Accounts payable	2	(5)
	<u>5,480</u>	<u>724</u>
Cash flows from investing activities		
Proceeds from sale of investments	446,368,353	436,737,915
Amounts paid for purchase of investments	(446,481,262)	(435,814,978)
	<u>(112,909)</u>	<u>922,937</u>
Cash flows from financing activities		
Proceeds from units issued	54,806,491	51,021,902
Amounts paid for units redeemed	(54,699,069)	(51,945,556)
	<u>107,422</u>	<u>(923,654)</u>
Net increase (decrease) in cash	(7)	7
Cash, beginning of year	7	-
Cash, end of year	<u>\$ -</u>	<u>\$ 7</u>

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Provincial Government	\$ 30,004	\$ 30,004	\$ -	\$ -
Money Market Investments:				
Federal Government	-	-	189,988	189,987
Provincial Government	178,416	178,417	78,704	78,704
Municipal Government	524,665	524,676	217,845	217,843
Corporate	534,757	534,756	649,826	649,826
	<u>1,237,838</u>	<u>1,237,849</u>	<u>1,136,363</u>	<u>1,136,360</u>
Total Investments	<u>\$ 1,267,842</u>	<u>\$ 1,267,853</u>	<u>\$ 1,136,363</u>	<u>\$ 1,136,360</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 repurchase agreements secured by Canadian government debt securities. The Fund 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 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

INVESTMENTS BY CREDIT RATING (\$000s)	2012		2011	
	Total	% of Total	Total	% of Total
A	\$ 590,221	46.6	\$ 363,649	32.0
Unrated	677,621	53.4	772,714	68.0
Total Investments	\$ 1,267,842	100.0	\$ 1,136,363	100.0

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

Interest Rate Risk

As at March 31, 2012 and March 31, 2011, the Fund invested in fixed income instruments with terms to maturity within 45 days, and an average effective yield of 1.11% (2011 - 0.30%).

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 \$431,000 (2011 - \$216,000), representing 0.03% of the Fund's net assets (2011 - 0.02%). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Currency Risk

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

Other Price Risk

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

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

CANADIAN MONEY MARKET FUND (ST1)

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

(\$000s)	2012		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	\$ -	\$ 1,267,842	\$ 1,267,842

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	\$ -	\$ 1,136,363	\$ 1,136,363

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

**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>2012</u>	<u>2011</u>
Assets		
Investments at fair value	\$ 1,447,298	\$ 1,441,886
Receivable from sale of investments	-	199,026
Accrued investment income	1,213	247
	<u>1,448,511</u>	<u>1,641,159</u>
Liabilities		
bclMC funds management fees payable (note 4)	54	43
Payable for purchase of investments	1,072	199,234
Custodial fees payable	11	11
Accounts payable	2	-
	<u>1,139</u>	<u>199,288</u>
Net assets representing unitholders' equity	<u>\$ 1,447,372</u>	<u>\$ 1,441,871</u>
Number of units outstanding (note 5)	<u>379.076</u>	<u>382.046</u>
Net asset value per unit (note 6)	<u>\$ 3,818</u>	<u>\$ 3,774</u>

Statement of Operations and Changes in Net Assets

for the year ended March 31

(in \$000s)

	<u>2012</u>	<u>2011</u>
Investment Income	\$ 18,469	\$ 15,217
Expenses (note 4):		
bclMC funds management fees	669	662
Custodial fees	37	35
Administrative and professional fees	5	6
	<u>711</u>	<u>703</u>
Net investment income	<u>17,758</u>	<u>14,514</u>
Realized and unrealized gains:		
Net realized gain	2,059	1,275
Change in unrealized gain	46	280
	<u>2,105</u>	<u>1,555</u>
Net income from operations	<u>19,863</u>	<u>16,069</u>
Capital Transactions:		
Proceeds from units issued	8,265,027	7,565,047
Amounts paid for units redeemed	(8,279,389)	(7,989,638)
	<u>(14,362)</u>	<u>(424,591)</u>
Increase (decrease) in net assets	5,501	(408,522)
Net assets, beginning of year	1,441,871	1,850,393
Net Assets, end of year	<u>\$ 1,447,372</u>	<u>\$ 1,441,871</u>

[s] Doug Pearce

Doug Pearce
Chief Executive Officer
Chief Investment Officer

**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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income from operations	\$ 19,863	\$ 16,069
Items not affecting cash:		
Amortization of premiums and discounts	(12,858)	(12,396)
Net realized gain	(2,059)	(1,275)
Change in unrealized gain	<u>(46)</u>	<u>(280)</u>
	4,900	2,118
Changes in non-cash operating accounts:		
Receivable from sale of investments	199,026	(199,026)
Accrued investment income	(966)	760
bcIMC funds management fees payable	11	12
Payable for purchase of investments	(198,162)	49,351
Custodial fees payable	-	(4)
Accounts payable	<u>2</u>	<u>(5)</u>
	4,811	(146,794)
Cash flows from investing activities		
Proceeds from sale of investments	97,327,353	56,244,847
Amounts paid for purchase of investments	<u>(97,317,802)</u>	<u>(55,673,462)</u>
	9,551	571,385
Cash flows from financing activities		
Proceeds from units issued	8,265,027	7,565,047
Amounts paid for units redeemed	<u>(8,279,389)</u>	<u>(7,989,638)</u>
	<u>(14,362)</u>	<u>(424,591)</u>
Net decrease in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	<u>\$ -</u>	<u>\$ -</u>

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Provincial Government	\$ 100,008	\$ 100,000	\$ 100,010	\$ 100,000
Corporate	<u>284,513</u>	<u>284,511</u>	<u>35,013</u>	<u>35,012</u>
	384,521	384,511	135,023	135,012
Money Market Investments:				
Federal Government	925,305	925,183	846,489	846,422
Provincial Government			-	-
Municipal Government			34,940	34,937
Corporate	<u>137,472</u>	<u>137,457</u>	<u>425,434</u>	<u>425,414</u>
	1,062,777	1,062,640	1,306,863	1,306,773
Total Investments	<u>\$ 1,447,298</u>	<u>\$ 1,447,151</u>	<u>\$ 1,441,886</u>	<u>\$ 1,441,785</u>

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 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. Longer term corporate and foreign government issued debt investments must be rated "A-" or better by Standard & Poor's 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 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

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

INVESTMENTS BY CREDIT RATING (\$000s)	2012		2011	
	Total	% of Total	Total	% of Total
A	\$ 1,238,408	85.6	\$ 1,333,405	92.5
Unrated	208,890	14.4	108,481	7.5
Total Investments	\$ 1,447,298	100.0	\$ 1,441,886	100.0

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 of 1.11% (2011 – 1.07%).

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 \$6,218,000 (2011 - \$4,815,000), representing 0.43% of the Fund's net assets (2011 – 0.33%). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

Currency Risk

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

Other Price Risk

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

See accompanying Notes to Financial Statements

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

	2012			Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)		
(\$000s)				
Money Market Investments	\$ -	\$ 1,062,777	\$	1,062,777
Bonds	-	384,521		384,521
Total Investments	\$ -	\$ 1,447,298	\$	1,447,298

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

	2011			Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)		
(\$000s)				
Money Market Investments	\$ -	\$ 1,306,863	\$	1,306,863
Bonds	-	135,023		135,023
Total Investments	\$ -	\$ 1,441,886	\$	1,441,886

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

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

U.S. DOLLAR MONEY MARKET FUND (ST3)

Statement of Net Assets

as at March 31

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

	2012	2011
Assets		
Investments at fair value	\$ 130,204	\$ 166,461
Cash	-	1,727
	<u>130,204</u>	<u>168,188</u>
Liabilities		
bciMC funds management fees payable (note 4)	21	9
Custodial fees payable	2	2
Accounts payable	2	-
	<u>25</u>	<u>11</u>
Net assets representing unitholders' equity	<u>\$ 130,179</u>	<u>\$ 168,177</u>
Number of units outstanding (note 5)	<u>59,598</u>	<u>76,981</u>
Net asset value per unit (note 6)	<u>\$ 2,184</u>	<u>\$ 2,185</u>

Statement of Operations and Changes in Net Assets

for the year ended March 31

(in US \$000s)

	2011	2010
Investment Income	\$ 142	\$ 209
Expenses (note 4):		
bciMC funds management fees	142	92
Custodial fees	9	7
Administrative and professional fees	5	5
	<u>156</u>	<u>104</u>
Net investment income (loss)	<u>(14)</u>	<u>105</u>
Realized and unrealized gains (losses):		
Net realized gain	1	1
Change in unrealized gain (loss)	(2)	2
	<u>(1)</u>	<u>3</u>
Net income (loss) from operations	<u>(15)</u>	<u>108</u>
Capital Transactions:		
Proceeds from units issued	1,413,466	1,566,486
Amounts paid for units redeemed	(1,451,449)	(1,485,996)
	<u>(37,983)</u>	<u>80,490</u>
Increase (decrease) in net assets	(37,998)	80,598
Net assets, beginning of year	<u>168,177</u>	<u>87,579</u>
Net Assets, end of year	<u>\$ 130,179</u>	<u>\$ 168,177</u>

[s] Doug Pearce

Doug Pearce
Chief Executive Officer
Chief Investment Officer

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

U.S. DOLLAR MONEY MARKET FUND (ST3)

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

	2012	2010
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income (loss) from operations	\$ (15)	\$ 108
Items not affecting cash:		
Amortization of premiums and discounts	(142)	(209)
Net realized gain	(1)	(1)
Change in unrealized loss (gain)	2	(2)
	<u>(156)</u>	<u>(104)</u>
Changes in non-cash operating accounts:		
bcIMC funds management fees payable	12	5
Custodial fees payable	-	(1)
Accounts payable	2	(6)
	<u>(142)</u>	<u>(106)</u>
Cash flows from investing activities		
Proceeds from sale of investments	5,829,403	4,544,737
Amounts paid for purchase of investments	<u>(5,793,005)</u>	<u>(4,632,130)</u>
	<u>36,398</u>	<u>(87,393)</u>
Cash flows from financing activities		
Proceeds from units issued	1,413,466	1,566,486
Amounts paid for units redeemed	<u>(1,451,449)</u>	<u>(1,485,996)</u>
	<u>(37,983)</u>	<u>80,490</u>
Net decrease in cash	(1,727)	(7,009)
Cash, beginning of year	<u>1,727</u>	<u>8,736</u>
Cash, end of year	<u>\$ -</u>	<u>\$ 1,727</u>

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Money Market Investments:				
Provincial Government	\$ 103,825	\$ 103,825	\$ 152,537	\$ 152,535
Corporate	<u>26,379</u>	<u>26,379</u>	<u>13,924</u>	<u>13,924</u>
Total Investments	<u>\$ 130,204</u>	<u>\$ 130,204</u>	<u>\$ 166,461</u>	<u>\$ 166,459</u>

See accompanying Notes to Financial Statements.

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

U.S. DOLLAR MONEY MARKET FUND (ST3)

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

The U.S. 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) up to one percent of the Fund's assets'
- 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 the Fund 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 7 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 Fund invested in debt instruments with the following credit ratings:

INVESTMENTS BY CREDIT RATING (US\$000s)	2012		2011	
	Total	% of Total	Total	% of Total
A	\$ 130,204	100.0	\$ 166,461	100.0
Total Investments	\$ 130,204	100.0	\$ 166,461	100.0

Interest Rate Risk

As at March 31, 2012 and March 31, 2011, the Fund invested in fixed income instruments with terms to maturity within 45 days and an average effective yield of 0.12% (2011 - 0.093%).

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 US\$77,000 (2011 - US\$55,000), representing 0.06% of the Fund's net assets (2011 - 0.03%). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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 functional currency of the Fund is U.S. dollars.

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.

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

U.S. DOLLAR MONEY MARKET FUND (ST3)

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

	2012		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(US\$000s)			
Money Market Investments	\$ -	\$ 130,204	\$ 130,204

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

	2011		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
(US\$000s)			
Money Market Investments	\$ -	\$ 166,461	\$ 166,461

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

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)

	2012	2011
Assets		
Investments at fair value	\$ 638,995	\$ 591,118
Unrealized gains on foreign currency contracts (Schedule One)	801	3,039
Cash	3,465	1,409
Accrued investment income	4,907	4,429
	<u>648,168</u>	<u>599,995</u>
Liabilities		
Unrealized losses on foreign currency contracts (Schedule One)	5,704	4,019
bclMC funds management fees payable (note 4)	110	46
Custodial fees payable	9	2
Accounts payable	2	-
	<u>5,825</u>	<u>4,067</u>
Net assets representing unitholders' equity	<u>\$ 642,343</u>	<u>\$ 595,928</u>
Number of units outstanding (note 5)	<u>574,555</u>	<u>574,555</u>
Net asset value per unit (note 6)	<u>\$ 1,118</u>	<u>\$ 1,037</u>

[s] Doug Pearce

Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the period ended March 31

(in \$000s)

	2012	2011
Investment Income	\$ 13,246	\$ 12,620
Foreign exchange translation gains	2	671
	<u>13,248</u>	<u>13,291</u>
Expenses (note 4):		
bclMC funds management fees	709	441
Custodial fees	52	46
Administrative and professional fees	6	6
	<u>767</u>	<u>493</u>
Net investment income	<u>12,481</u>	<u>12,798</u>
Realized and unrealized gains (losses):		
Net realized gain (loss)	(5,244) ¹	5,440 ¹
Change in unrealized gain (loss)	39,178 ¹	(2,659) ¹
	<u>33,934</u>	<u>2,781</u>
Net income from operations	<u>46,415</u>	<u>15,579</u>
Capital Transactions:		
Proceeds from units issued	-	-
Amounts paid for units redeemed	-	-
	<u>-</u>	<u>-</u>
Increase in net assets	46,415	15,579
Net assets, beginning of period	595,928	580,349
Net Assets, end of period	<u>\$ 642,343</u>	<u>\$ 595,928</u>

¹ The net realized gain (loss) and change in unrealized gain (loss) include the following exchange gains:

\$ 3,922	\$ 2,556
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**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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income from operations	\$ 46,415	\$ 15,579
Items not affecting cash:		
Amortization of premiums and discounts	3,024	2,556
Net realized (gain) loss	5,244	(5,440)
Change in unrealized (gain) loss	(39,178)	2,659
	<u>15,505</u>	<u>15,354</u>
Changes in non-cash operating accounts:		
Accrued investment income	(478)	(49)
bcIMC funds management fees payable	64	28
Custodial fees payable	7	-
Accounts payable	2	(5)
	<u>15,100</u>	<u>15,328</u>
Cash flows from investing activities		
Proceeds from sale of investments	574,899	449,274
Amounts paid for purchase of investments	(587,943)	(464,321)
	<u>(13,044)</u>	<u>(15,047)</u>
Cash flows from financing activities		
Proceeds from units issued	-	-
Amounts paid for units redeemed	-	-
	<u>-</u>	<u>-</u>
Net increase in cash	2,056	281
Cash, beginning of period	1,409	1,128
Cash, end of period	<u>\$ 3,465</u>	<u>\$ 1,409</u>

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Bonds:				
Canadian Federal Government	\$ 19,999	\$ 19,510	\$ 29,391	\$ 29,466
U.S. Federal Government	200,925	196,577	176,928	191,002
Foreign denominated Government	417,420	412,498	383,674	402,866
	<u>638,344</u>	<u>628,585</u>	<u>589,993</u>	<u>623,334</u>
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio Funds				
Fund ST1	475	475	89	89
Fund ST3	176	175	1,036	1,036
	<u>651</u>	<u>650</u>	<u>1,125</u>	<u>1,125</u>
Total Investments	<u>\$ 638,995</u>	<u>\$ 629,235</u>	<u>\$ 591,118</u>	<u>\$ 624,459</u>

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

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain/(Loss) (\$000s)
2012	2	April 2012	\$ 194,941	\$ 801
	6	April 2012	430,385	(5,704)
			<u>\$ 625,326</u>	<u>\$ (4,903)</u>
Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain/(Loss) (\$000s)
2011	4	April 2011	\$ 404,246	\$ 3,039
	3	April 2011	162,427	(4,019)
			<u>\$ 566,673</u>	<u>\$ (980)</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 are rated "BBB-" or better by Standard & Poor's or have an equivalent rating from another credit rating agency, and
- units of bcIMC'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 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, bcIMC has the discretion to determine the appropriate timing of any sale so as to maximize sale proceeds.

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

Credit Risk

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

INVESTMENTS BY CREDIT RATING (\$000s)	2012		2011	
	Total	% of Total	Total	% of Total
AAA/AA	\$ 638,344	100.0	\$ 548,388	92.9
A	-	-	41,605	7.1
Total Investments	\$ 638,344	100.0	\$ 589,993	100.0

Interest Rate Risk

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

INVESTMENTS BY MATURITY DATE (\$000s)	2012		2011	
	Total	Avg Effective Yield	Total	Avg Effective Yield
Within 1 year	\$ 73,109	0.41%	\$ 15,480	1.90%
1 to 5 years	196,498	0.54%	258,437	1.28%
5 to 10 years	231,587	1.79%	190,385	3.12%
Over 10 years	137,150	2.38%	125,691	3.37%
Total Bonds	\$ 638,344	1.37%	\$ 589,993	2.29%

See accompanying Notes to Financial Statements

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

GLOBAL GOVERNMENT BOND FUND

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

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

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 \$40,934,000 (2011 - \$37,466,000), representing 6.4% of the Fund's net assets (2011 – 6.3%). Actual trading results may differ from the above sensitivity analysis and the difference could be material.

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	2012			
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
(\$000s)				
Australian Dollar	\$ 5,276	(\$ 5,262)	\$ 14	0.0
British Pound Sterling	43,875	(43,943)	(68)	(0.0)
Danish Krone	3,630	(3,637)	(7)	(0.0)
Euro	179,526	(180,303)	(777)	(0.1)
Japanese Yen	188,502	(188,879)	(377)	(0.1)
Swedish Krona	3,142	(3,172)	(30)	(0.0)
United States Dollar	202,866	(205,034)	(2,168)	(0.3)
Net Foreign Exchange Exposure	\$ 626,817	(\$630,230)	(\$3,413)	(0.5)

CURRENCY	2011			
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
(\$000s)				
Australian Dollar	\$ 8,485	\$ (8,598)	(\$ 113)	(0.0)
British Pound Sterling	36,703	(36,372)	331	0.1
Danish Krone	3,325	(3,360)	(35)	(0.0)
Euro	153,417	(154,488)	(1,071)	(0.2)
Japanese Yen	174,233	(175,039)	(806)	(0.1)
Swedish Krona	11,162	(11,160)	2	0.0
United States Dollar	178,470	(178,636)	(166)	(0.1)
Net Foreign Exchange Exposure	\$ 565,795	(\$ 567,653)	(\$ 1,858)	(0.3)

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

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 \$34,000 (2011 - \$18,000), representing 0.01% of the Fund's net assets (2011 – 0.003%). 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.

See accompanying Notes to Financial Statements

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

GLOBAL GOVERNMENT BOND FUND

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

(\$000s)	2012		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	\$ -	\$ 651	\$ 651
Bonds	-	638,344	638,344
Total Investments	-	638,995	638,995
Foreign Currency Contracts, Net	-	(4,903)	(4,903)
Total	\$ -	\$ 634,092	\$ 634,092

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		Total
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	
Money Market Investments	\$ -	1,125	1,
Bonds	-	589,993	589,9
Total Investments	-	591,118	591
Foreign Currency Contracts, Net	-	(980)	(9
Total	\$ -	\$ 590,138	\$ 590,1

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

**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>2012</u>	<u>2011</u>
Assets		
Investments at fair value	\$ 2,337,286	\$ 2,285,777
Cash	37,398	14,058
Receivable from sale of investments	6,137	300,321
Accrued investment income	5,218	3,501
	<u>2,386,039</u>	<u>2,603,657</u>
Liabilities		
bclMC funds management fees payable (note 4)	880	42
Payable for purchase of investments	12,627	300,647
External management fees payable	999	1,177
Custodial fees payable	15	11
Accounts payable	2	1
	<u>14,523</u>	<u>301,878</u>
Net assets representing unitholders' equity	<u>\$ 2,371,516</u>	<u>\$ 2,301,779</u>
Number of units outstanding (note 5)	<u>328,574</u>	<u>292,239</u>
Net asset value per unit (note 6)	<u>\$ 7,218</u>	<u>\$ 7,876</u>

[s] Doug Pearce

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>2012</u>	<u>2011</u>
Investment Income	\$ 55,066	\$ 46,530
Expenses (note 4):		
Commissions and stock exchange fees	2,014	2,513
bclMC funds management fees	2,170	674
External management fees	3,902	4,329
Custodial fees	60	44
Administrative and professional fees	6	162
	<u>8,152</u>	<u>7,722</u>
Net investment income	<u>46,914</u>	<u>38,808</u>
Realized and unrealized gains (loss):		
Net realized gain	34,748	234,360
Change in unrealized gain (loss)	(274,770)	69,930
	<u>(240,022)</u>	<u>304,290</u>
Net income (loss) from operations	<u>(193,108)</u>	<u>343,098</u>
Capital Transactions:		
Proceeds from units issued	262,845	65,000
Amounts paid for units redeemed	-	(270,575)
	<u>262,845</u>	<u>(205,575)</u>
Increase in net assets	69,737	137,523
Net assets, beginning of year	<u>2,301,779</u>	<u>2,164,256</u>
Net Assets, end of year	<u>\$ 2,371,516</u>	<u>\$ 2,301,779</u>

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS

ACTIVE CANADIAN EQUITY FUND

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

	<u>2012</u>	<u>2011</u>
Cash flow provided by (used for):		
Cash flows from operating activities		
Net Income (loss) from operations	\$ (193,108)	\$ 343,098
Items not affecting cash:		
Net realized gain	(34,748)	(234,360)
Change in unrealized loss (gain)	<u>274,770</u>	<u>(69,930)</u>
	46,914	38,808
Changes in non-cash operating accounts:		
Receivable from sale of investments	294,184	(287,591)
Accrued investment income	(1,717)	127
bcIMC funds management fees payable	838	(6)
Payable for purchase of investments	(288,020)	280,015
External management fees payable	(178)	(145)
Custodial fees payable	4	(18)
Accounts payable	<u>1</u>	<u>(3)</u>
	<u>52,026</u>	<u>31,187</u>
Cash flows from investing activities		
Proceeds from sale of investments	976,949	2,231,941
Amounts paid for purchase of investments	<u>(1,268,480)</u>	<u>(2,065,110)</u>
	<u>(291,531)</u>	<u>166,831</u>
Cash flows from financing activities		
Proceeds from units issued	262,845	65,000
Amounts paid for units redeemed	<u>-</u>	<u>(270,575)</u>
	<u>262,845</u>	<u>(205,575)</u>
Increase (decrease) in cash	23,340	(7,557)
Cash, beginning of year	<u>14,058</u>	<u>21,615</u>
Cash, end of year	<u>\$ 37,398</u>	<u>\$ 14,058</u>

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

	<u>2012</u>		<u>2011</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly Traded	<u>\$ 2,324,815</u>	<u>\$ 2,032,436</u>	<u>\$ 2,284,115</u>	<u>\$ 1,716,966</u>
	2,324,815	2,032,436	2,284,115	1,716,966
Money Market Investments:				
Units of bcIMC Pooled				
Investment Portfolio Fund ST1	<u>12,471</u>	<u>12,471</u>	<u>1,662</u>	<u>1,662</u>
	12,471	12,471	1,662	1,662
Total Investments	<u>\$ 2,337,286</u>	<u>\$ 2,044,907</u>	<u>\$ 2,285,777</u>	<u>\$ 1,718,628</u>

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,
- 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, and 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 7 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 prevailing market interest rates.

Currency Risk

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

Other Price Risk

Equity by Industry Sector

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

INDUSTRY SECTOR (in \$000s)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 130,232	5.6	\$ 126,548	5.5
Consumer Staple	99,293	4.3	90,901	4.1
Energy	640,566	27.6	621,090	27.2
Financial Services	650,807	28.0	649,424	28.4
Health Care	47,703	2.0	37,534	1.6
Industrial Products	144,200	6.2	153,680	6.7
Information Technology	35,280	1.5	70,251	3.1
Materials and Processing	347,274	14.9	378,356	16.6
Telecommunication Services	136,334	5.9	83,788	3.7
Utilities	31,170	1.3	19,121	0.8
Other	61,956	2.7	53,422	2.3
Total Equities	\$ 2,324,815	100.0	\$ 2,284,115	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 \$218,533,000 (2011 - \$219,275,000), representing 9.2% of the Fund's Net Assets (2011 - 9.5%). 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, 2012 and 2011, 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. 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.

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

(\$000s)	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Money Market Investments	\$ -	\$ 12,471	\$ 12,471
Public Equities	2,262,858	61,957	2,324,815
Total Investments	\$ 2,262,858	\$ 74,428	\$ 2,337,286

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Money Market Investments	\$ -	\$ 1,662	\$ 1,662
Public Equities	2,284,115	-	2,284,115
Total Investments	\$ 2,284,115	\$ 1,662	\$ 2,285,777

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

**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)

	2012	2011
Assets		
Investments at fair value	\$ 4,212,549	\$ 4,643,180
Cash	5,195	3,720
Receivable from sale of investments	28,710	20,453
Receivable from issue of units	-	590
Accrued investment income	11,648	7,825
	<u>4,258,102</u>	<u>4,675,768</u>
Liabilities		
bclMC funds management fees payable (note 4)	156	100
Payable for purchase of investments	29,242	19,350
External management fees payable	906	749
Custodial fees payable	61	52
Net payable for variation on futures contracts (Schedule One)	12	3
Accounts payable	2	-
	<u>30,379</u>	<u>20,254</u>
Net assets representing unitholders' equity	<u>\$ 4,227,723</u>	<u>\$ 4,655,514</u>
Number of units outstanding (note 5)	<u>1,697,411</u>	<u>1,696,748</u>
Net asset value per unit (note 6)	<u>\$ 2,491</u>	<u>\$ 2,744</u>

[s] Doug Pearce

Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the year ended March 31

(in \$000s)

	2012	2011
Investment Income	\$ 112,180	\$ 97,583
Foreign exchange translation gains	-	117
	<u>112,180</u>	<u>97,700</u>
Expenses (note 4):		
Commissions and stock exchange fees	3,664	4,133
bclMC funds management fees	1,781	1,602
External management fees	2,941	2,741
Custodial fees	230	211
Administrative and professional fees	7	307
	<u>8,623</u>	<u>8,994</u>
Net investment income	<u>103,557</u>	<u>88,706</u>
Realized and unrealized gains (loss):		
Net realized gain	49,433 ¹	282,079 ¹
Change in unrealized gain (loss)	(582,491) ¹	372,156 ¹
	<u>(533,058)</u>	<u>654,235</u>
Net income (loss) from operations	<u>(429,501)</u>	<u>742,941</u>
Capital Transactions:		
Proceeds from units issued	1,710	70,599
Amounts paid for units redeemed	-	(67,919)
	<u>1,710</u>	<u>2,680</u>
Increase (decrease) in net assets	(427,791)	745,621
Net assets, beginning of year	<u>4,655,514</u>	<u>3,909,893</u>
Net Assets, end of year	<u>\$ 4,227,723</u>	<u>\$ 4,655,514</u>

¹ The net realized gain and change in unrealized gain (loss) includes the following exchange gain:

\$	-	\$	33
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**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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income (loss) from operations	\$ (429,501)	\$ 742,941
Items not affecting cash:		
Net realized gain	(49,433)	(282,079)
Change in unrealized loss (gain)	582,491	(372,156)
	103,557	88,706
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	-	9
Receivable from sale of investments	(8,257)	(269)
Receivable from issue of units	590	(590)
Accrued investment income	(3,823)	(867)
bcIMC funds management fees payable	56	7
Payable for purchase of investments	9,892	(8,220)
External management fees payable	157	135
Custodial fees payable	9	6
Net payable for variation on futures contracts	9	3
Accounts payable	2	(5)
	102,192	78,915
Cash flows from investing activities		
Proceeds from sale of investments	2,420,314	2,542,813
Amounts paid for purchase of investments	(2,522,741)	(2,624,137)
	(102,427)	(81,324)
Cash flows from financing activities		
Proceeds from units issued	1,710	70,599
Amounts paid for units redeemed	-	(67,919)
	1,710	2,680
Increase in cash	1,475	271
Cash, beginning of year	3,720	3,449
Cash, end of year	\$ 5,195	\$ 3,720

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 4,191,676	\$ 3,816,362	\$ 4,630,197	\$ 3,672,477
Bonds:				
Corporate	194	200	278	200
Money Market Investments:				
Federal Government	1,997	1,997	1,996	1,995
Corporate	2,698	2,698	2,393	2,393
Units of bcIMC Pooled Investment Portfolio Fund ST1	15,984	15,984	8,316	8,316
	20,679	20,679	12,705	12,704
Total Investments	<u>\$ 4,212,549</u>	<u>\$ 3,837,241</u>	<u>\$ 4,643,180</u>	<u>\$ 3,685,381</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 Payable (\$ 000)
2012	90	June 2012	\$ 12,685	\$ (12)
Date	Number of Contracts	Expiry Date	Notional Value (\$ 000)	Net Payable (\$ 000)
2011	40	June 2011	\$ 6,458	\$ (3)

\$2.0 million (2011 - \$2.0 million) Government of Canada T-Bills, maturing in June 2012 (June 2011), are held on margin for the equity index futures contracts. See note 9 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 bcIMC'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, and in units of bcIMC's Pooled Investment Portfolio Funds ST1 and ST2. This constraint does not apply to money market securities or units used for the management of futures contracts.
- Investments in the securities of a single company are limited to 10% of the market value of the Fund.

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

**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 prevailing market interest rates.

Currency Risk

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

Other Price Risk

Equity by Industry Sector

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

INDUSTRY SECTOR (in \$000s)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 173,595	4.1	\$ 173,174	3.7
Consumer Staple	118,712	2.8	122,954	2.7
Energy	1,101,677	26.5	1,218,190	26.3
Financial Services	1,258,982	30.0	1,269,035	27.4
Health Care	67,817	1.6	62,827	1.4
Industrial Products	260,514	6.2	274,130	5.9
Information Technology	79,871	1.9	143,025	3.1
Materials and Processing	844,317	20.1	1,092,662	23.6
Telecommunication Services	211,163	5.0	203,629	4.4
Utilities	75,028	1.8	70,571	1.5
Total Equities	\$ 4,191,676	100.0	\$ 4,630,197	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 \$414,976,000 (2011 - \$458,390,000), representing 9.8% of the Fund's assets (2011 - 9.8%). 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, 2012 and 2011, 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. 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.

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

(\$000s)	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
	Money Market Investments	\$ -	\$ 20,679
Bonds	-	194	194
Public Equities	4,190,743	933	4,191,676
Total Investments	4,190,743	21,806	4,212,549
Futures Contracts	(12)	-	(12)
Total	\$ 4,190,731	\$ 21,806	\$ 4,212,537

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
	Money Market Investments	\$ -	\$ 12,705
Bonds	-	278	278
Public Equities	4,629,656	-	4,629,656
Warrants	87	454	541
Total Investments	4,629,743	13,437	4,643,180
Futures Contracts	(3)	-	(3)
Total	\$ 4,629,740	\$ 13,437	\$ 4,643,177

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

See accompanying Notes to Financial Statements

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

INDEXED CANADIAN EQUITY FUND

Statement of Net Assets

as at March 31

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

	<u>2012</u>	<u>2011</u>
Assets		
Investments at fair value	\$ 6,596,822	\$ 6,993,419
Receivable from sale of investments	13,043	17,344
Receivable from issue of units	12,707	9,796
Accrued investment income	17,694	12,335
	<u>6,640,266</u>	<u>7,032,894</u>
Liabilities		
Net payable for variation on futures contracts (Schedule One)	24	19
bclMC funds management fees payable (note 4)	101	138
Payable for purchase of investments	31,301	28,535
Payable for redemption of units	70	200
Custodial fees payable	29	33
Accounts payable	2	1
	<u>31,527</u>	<u>28,926</u>
Net assets representing unitholders' equity	<u>\$ 6,608,739</u>	<u>\$ 7,003,968</u>
Number of units outstanding (note 5)	<u>1,250,026</u>	<u>1,194,090</u>
Net asset value per unit (note 6)	<u>\$ 5,287</u>	<u>\$ 5,866</u>

[s] Doug Pearce

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>2012</u>	<u>2011</u>
Investment Income	\$ 174,038	\$ 159,706
Foreign exchange translation gains	-	369
	<u>174,038</u>	<u>160,075</u>
Expenses (note 4):		
Commissions and stock exchange fees	2,494	2,617
bclMC funds management fees	2,528	2,196
Custodial fees	127	132
Administrative and professional fees	7	445
	<u>5,156</u>	<u>5,390</u>
Net investment income	<u>168,882</u>	<u>154,685</u>
Realized and unrealized gains (loss):		
Net realized gain	180,311 ¹	345,008 ¹
Change in unrealized gain (loss)	(1,008,821) ¹	661,990 ¹
	<u>(828,510)</u>	<u>1,006,998</u>
Net income (loss) from operations	<u>(659,628)</u>	<u>1,161,683</u>
Capital Transactions:		
Proceeds from units issued	865,229	806,871
Amounts paid for units redeemed	(600,830)	(728,495)
	<u>264,399</u>	<u>78,376</u>
Increase (decrease) in net assets	(395,229)	1,240,059
Net assets, beginning of year	<u>7,003,968</u>	<u>5,763,909</u>
Net Assets, end of year	<u>\$ 6,608,739</u>	<u>\$ 7,003,968</u>

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

\$	-	\$	106
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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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income (loss) from operations	\$ (659,628)	\$ 1,161,683
Items not affecting cash:		
Net realized gain	(180,311)	(345,008)
Change in unrealized (gain) loss	1,008,821	(661,990)
	168,882	154,685
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	-	56
Receivable from sale of investments	4,301	(13,264)
Receivable from issue of units	(2,911)	151,104
Accrued investment income	(5,359)	(2,284)
Net payable for variation on futures contracts	5	19
bclMC funds management fees payable	(37)	16
Payable for purchase of investments	2,766	(136,954)
Payable for redemption of units	(130)	(2,600)
Custodial fees payable	(4)	3
Accounts payable	1	(4)
	167,514	150,777
Cash flows from investing activities		
Proceeds from sale of investments	1,736,775	648,082
Amounts paid for purchase of investments	(2,168,688)	(877,235)
	(431,913)	(229,153)
Cash flows from financing activities		
Proceeds from units issued	865,229	806,871
Amounts paid for units redeemed	(600,830)	(728,495)
	264,399	78,376
Decrease in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 6,554,515	\$ 5,556,092	\$ 6,950,218	\$ 4,943,186
Bonds:				
Corporate	485	500	694	500
Money Market Investments:				
Federal Government	4,990	4,990	4,997	4,997
Units of bclMC Pooled Investment Portfolio Fund ST1	36,832	36,832	37,510	37,507
	41,822	41,822	42,507	42,504
Total Investments	<u>\$ 6,596,822</u>	<u>\$ 5,598,414</u>	<u>\$ 6,993,419</u>	<u>\$ 4,986,190</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 Payable (\$ 000)
2012	240	June 2012	\$ 33,826	\$ (24)
Date	Number of Contracts	Expiry Date	Notional Value (\$ 000)	Net Receivable (\$ 000)
2011	240	June 2011	\$ 38,750	\$ (19)

\$5.0 million (2011 - \$5.0 million) Government of Canada T-Bills, maturing in June 2012 (June 2011), are held on margin for the equity index futures contracts. See note 9 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 or units used for the management of futures contracts.

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

Credit Risk

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 prevailing market interest rates.

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

Currency Risk

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

Other Price Risk

Equity by Industry Sector

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

INDUSTRY SECTOR (in \$000s)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 298,149	4.5	\$ 297,888	4.3
Consumer Staple	190,158	2.9	172,991	2.5
Energy	1,732,058	26.4	1,935,486	27.8
Financial Services	1,973,082	30.1	1,926,988	27.7
Health Care	102,390	1.6	82,855	1.2
Industrial Products	373,403	5.7	395,757	5.7
Information Technology	88,305	1.3	168,909	2.4
Materials and Processing	1,345,460	20.6	1,583,732	22.8
Telecommunication Services	327,078	5.0	281,943	4.1
Utilities	124,432	1.9	103,669	1.5
Total Equities	\$ 6,554,515	100.0	\$ 6,950,218	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 \$655,452,000 (2011 - \$688,072,000), representing 9.9% of the Fund's assets (2011 - 9.8%). 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, 2012 and 2011, 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. 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.

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

INDEXED CANADIAN EQUITY FUND

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
(\$000s)			
Money Market Investments	\$ -	\$ 41,822	\$ 41,822
Bonds	-	485	485
Public Equities	6,552,958	1,557	6,554,515
Total Investments	6,552,958	43,864	6,596,822
Futures Contracts	(24)	-	(24)
Total	\$ 6,552,934	\$ 43,864	\$ 6,596,798

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

	2011		
	Quoted Price (Level 1)	Significant Observable (Level 2)	Total
(\$000s)			
Money Market Investments	\$ -	\$ 42,507	\$ 42,507
Bonds	-	694	694
Public Equities	6,949,296	-	6,949,296
Warrants	241	681	922
Total Investments	6,949,537	43,882	6,993,419
Futures Contracts	(19)	-	(19)
Total	\$ 6,949,518	\$ 43,882	\$ 6,993,400

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

See accompanying Notes to Financial Statements

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

ACTIVE U.S. EQUITY FUND

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

	<u>2012</u>	<u>2011</u>
Assets		
Investments at fair value	\$ 1,555,256	\$ 1,632,866
Cash	45,575	33,882
Receivable from sale of investments	9,020	19,323
Accrued investment income	1,099	882
Withholding taxes receivable	100	122
	<u>1,611,050</u>	<u>1,687,075</u>
Liabilities		
bclMC funds management fees payable (note 4)	25	35
Payable for purchase of investments	9,244	13,657
External management fees payable	1,525	1,787
Custodial fees payable	18	23
Accounts payable	2	1
	<u>10,814</u>	<u>15,503</u>
Net assets representing unitholders' equity	<u>\$ 1,600,236</u>	<u>\$ 1,671,572</u>
Number of units outstanding (note 5)	<u>372,317</u>	<u>415,239</u>
Net asset value per unit (note 6)	<u>\$ 4,298</u>	<u>\$ 4,026</u>

[s] Doug Pearce

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>2012</u>	<u>2011</u>
Investment Income	\$ 24,036	\$ 24,969
Foreign exchange translation gains	1,703	55,380
	<u>25,739</u>	<u>80,349</u>
Expenses (note 4):		
Foreign exchange translation losses	-	58,178
Commissions and stock exchange fees	2,479	3,110
bclMC funds management fees	643	587
External management fees	6,312	6,908
Custodial fees	84	107
Administrative and professional fees	5	7
	<u>9,523</u>	<u>68,897</u>
Net investment income	<u>16,216</u>	<u>11,452</u>
Realized and unrealized gains (losses):		
Net realized gain (loss)	(2,789) ¹	77,836 ¹
Change in unrealized gain	80,485 ¹	57,312 ¹
	<u>77,696</u>	<u>135,148</u>
Net income from operations	<u>93,912</u>	<u>146,600</u>
Capital Transactions:		
Proceeds from units issued	-	178,565
Amounts paid for units redeemed	(165,248)	(385,065)
	<u>(165,248)</u>	<u>(206,500)</u>
Decrease in net assets	(71,336)	(59,900)
Net assets, beginning of year	<u>1,671,572</u>	<u>1,731,472</u>
Net Assets, end of year	<u>\$ 1,600,236</u>	<u>\$ 1,671,572</u>

¹ The net realized gain (loss) and change in unrealized gain includes the following exchange gain (loss):

\$ 44,519	\$ (62,607)
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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)**

	<u>2012</u>	<u>2011</u>
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income from operations	\$ 93,912	\$ 146,600
Items not affecting cash:		
Net realized loss (gain)	2,789	(77,836)
Change in unrealized gain	<u>(80,485)</u>	<u>(57,312)</u>
	16,216	11,452
Changes in non-cash operating accounts:		
Receivable from sale of investments	10,303	(1,051)
Accrued investment income	(217)	697
Withholding taxes receivable	22	72
bclMC funds management fees payable	(10)	(2)
Payable for purchase of investments	(4,413)	2,314
External management fees payable	(262)	(261)
Custodial fees payable	(5)	(5)
Accounts payable	1	(4)
	<u>21,635</u>	<u>13,212</u>
Cash flows from investing activities		
Proceeds from sale of investments	1,537,135	1,425,746
Purchase of investments	<u>(1,381,829)</u>	<u>(1,242,572)</u>
	155,306	183,174
Cash flows from financing activities		
Proceeds from units issued	-	178,565
Amounts paid for units redeemed	<u>(165,248)</u>	<u>(385,065)</u>
	<u>(165,248)</u>	<u>(206,500)</u>
Increase (decrease) in cash	11,693	(10,114)
Cash, beginning of year	<u>33,882</u>	<u>43,996</u>
Cash, end of year	<u>\$ 45,575</u>	<u>\$ 33,882</u>

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

	<u>2012</u>		<u>2011</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Equities:				
Publicly traded	\$ 1,552,601	\$ 1,353,797	\$ 1,629,876	\$ 1,511,551
Money Market Investments:				
Units of bclMC Pooled Investment Portfolio				
Fund ST1	2,655	2,655	1,394	1,394
Fund ST3	<u>-</u>	<u>-</u>	<u>1,596</u>	<u>1,602</u>
	<u>2,655</u>	<u>2,655</u>	<u>2,990</u>	<u>2,996</u>
Total Investments	<u>\$ 1,555,256</u>	<u>\$ 1,356,452</u>	<u>\$ 1,632,866</u>	<u>\$ 1,514,547</u>

**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 bcIMC'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 bcIMC'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 7 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 prevailing market interest rates.

Currency Risk

The Fund holds net assets denominated in U.S. currency totalling \$1,599,152,000 Cdn which represents 99% of the net asset value of the Fund (2011 -\$1,672,025,000 Cdn which represented 100% of the net asset value of the Fund). As at March 31, 2012, 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 \$15,992,000 (2011 - \$16,720,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 304,490	19.6	\$ 270,399	16.6
Consumer Staple	133,787	8.6	126,622	7.8
Energy	140,359	9.0	209,947	12.9
Financial Services	94,136	6.1	173,297	10.6
Health Care	203,367	13.1	214,940	13.2
Industrial Products	102,749	6.6	146,051	9.0
Information Technology	505,931	32.6	378,527	23.2
Materials and Processing	67,781	4.4	69,129	4.2
Telecommunication Services	1	-	30,521	1.9
Utilities	-	-	10,443	0.6
Total Equities	\$ 1,552,601	100.0	\$ 1,629,876	100.0

See accompanying Notes to Financial Statements

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

ACTIVE U.S. 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 would be an increase/decrease, respectively, of \$161,471,000 (2011 - \$172,671,000), representing 10.1% of the Fund's net assets (2011 - 10.3%). 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, 2012 and 2011, 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. 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 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

(\$000s)	2012		
	Quoted Price In Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
	Money Market Investments	\$ -	\$ 2,655
Public Equities	1,552,601	-	1,552,601
Total Investments	\$ 1,552,601	\$ 2,655	\$ 1,555,256

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
	Money Market Investments	\$ -	\$ 2,990
Public Equities	1,629,876	-	1,629,876
Total Investments	\$ 1,629,876	\$ 2,990	\$ 1,632,866

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

**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)

	2012	2011
Assets		
Investments at fair value	\$ 2,025,868	\$ 1,808,505
Cash	2,491	1,599
Net receivable for variation on futures contracts (Schedule One)	6	-
Receivable from sale of investments	6,919	138,753
Accrued investment income	2,534	2,099
	<u>2,037,818</u>	<u>1,950,956</u>
Liabilities		
Net payable for variation on futures contracts (Schedule One)	-	28
bclMC funds management fees payable (note 4)	70	51
Payable for purchase of investments	7,037	131,710
External management fees payable	265	240
Custodial fees payable	32	23
Accounts payable	2	1
	<u>7,406</u>	<u>132,053</u>
Net assets representing unitholders' equity	<u>\$ 2,030,412</u>	<u>\$ 1,818,903</u>
Number of units outstanding (note 5)	<u>1,153,559</u>	<u>1,152,785</u>
Net asset value per unit (note 6)	<u>\$ 1,760</u>	<u>\$ 1,578</u>

[s] Doug Pearce

Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the year ended March 31

(in \$000s)

	2012	2011
Investment Income	\$ 42,710	\$ 37,275
Foreign exchange translation gains	117	13
	<u>42,827</u>	<u>37,288</u>
Expenses (note 4):		
Foreign exchange translation losses	-	381
Commissions and stock exchange fees	1,467	1,500
bclMC funds management fees	1,210	850
External management fees	976	884
Custodial fees	122	103
Administrative and professional fees	6	7
	<u>3,781</u>	<u>3,725</u>
Net investment income	<u>39,046</u>	<u>33,563</u>
Realized and unrealized gains:		
Net realized gain	776 ¹	24,465 ¹
Change in unrealized gain	170,477 ¹	109,385 ¹
	<u>171,253</u>	<u>133,850</u>
Net income from operations	<u>210,299</u>	<u>167,413</u>
Capital Transactions:		
Proceeds from units issued	1,210	70,500
Amounts paid for units redeemed	-	(69,950)
	<u>1,210</u>	<u>550</u>
Increase in net assets	211,509	167,963
Net assets, beginning of year	<u>1,818,903</u>	<u>1,650,940</u>
Net Assets, end of year	<u>\$ 2,030,412</u>	<u>\$ 1,818,903</u>

¹ The net realized gain and change in unrealized gain include the following exchange gain (loss):

\$ 49,874	\$ (86,729)
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See accompanying Notes to Financial Statements.

**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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income from operations	\$ 210,299	\$ 167,413
Items not affecting cash:		
Net realized gain	(776)	(24,465)
Change in unrealized gain	(170,477)	(109,385)
	<u>39,046</u>	<u>33,563</u>
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	(6)	-
Receivable from sale of investments	131,834	(17,676)
Accrued investment income	(435)	(34)
Net payable for variation on futures contracts	(28)	6
bclMC funds management fees payable	19	(1)
Payable for purchase of investments	(124,673)	9,840
External management fees payable	25	9
Custodial fees payable	9	(1)
Accounts payable	1	(3)
	<u>45,792</u>	<u>25,703</u>
Cash flows from investing activities		
Proceeds from sale of investments	1,900,219	1,553,369
Amounts paid for purchase of investments	(1,946,329)	(1,580,475)
	<u>(46,110)</u>	<u>(27,106)</u>
Cash flows from financing activities		
Proceeds from units issued	1,210	70,500
Amounts paid for units redeemed	-	(69,950)
	<u>1,210</u>	<u>550</u>
Increase (decrease) in cash	892	(853)
Cash, beginning of year	1,599	2,452
Cash, end of year	<u>\$ 2,491</u>	<u>\$ 1,599</u>

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

	2011		2010	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 2,020,595	\$ 1,692,407	\$ 1,800,815	\$ 1,643,051
Money Market Investments:				
U.S. Federal Government	299	300	1,459	1,459
Units of bclMC Pooled Investment Portfolio				
Fund ST1	957	957	86	86
Fund ST3	4,017	4,000	6,145	6,182
	<u>5,273</u>	<u>5,257</u>	<u>7,690</u>	<u>7,727</u>
Total Investments	<u>\$ 2,025,868</u>	<u>\$ 1,697,664</u>	<u>\$ 1,808,505</u>	<u>\$ 1,650,778</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)
2012	5	June 2012	\$ 1,753	\$ 6
2011	40	June 2011	\$ 12,850	\$ (28)

\$0.3 million U.S. T-Bills (2011 - \$1.5 million US T-Bills), maturing in June 2012 (June 2011) are held on margin for the equity index futures contracts. See note 9 for additional information on derivatives.

**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 Total Return 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 bcIMC'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 bcIMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3. This constraint does not apply to money market securities or units used for the management of futures contracts.
- Investments in the securities of a single company are limited to 10% of the market value of the Fund.

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

Credit Risk

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 prevailing market interest rates.

Currency Risk

The Fund holds net assets, including foreign currency contracts, denominated in U.S. currency totalling \$2,034,841,000 Cdn which represents 100% of the net asset value of the Fund (2011 - \$1,819,132,000 Cdn which represented 100% of the net asset value of the Fund). As at March 31, 2012, 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 \$20,348,000 Cdn (2011 - \$18,191,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 233,826	11.6	\$ 191,260	10.6
Consumer Staple	212,241	10.5	183,579	10.2
Energy	230,236	11.4	238,314	13.2
Financial Services	291,125	14.4	278,429	15.5
Health Care	231,919	11.5	202,022	11.2
Industrial Products	216,314	10.7	200,381	11.1
Information Technology	414,875	20.5	331,009	18.4
Materials and Processing	71,593	3.5	65,299	3.6
Telecommunication Services	54,066	2.7	55,327	3.1
Utilities	64,400	3.2	55,195	3.1
Total Equities	\$ 2,020,595	100.0	\$ 1,800,815	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 \$200,039,000 (2011 - \$181,882,000), representing 9.9% of the Fund's net assets (2011 -10.0%). 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, 2012 and 2011, 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. Actual trading results may differ from the above sensitivity analysis and the difference could be material.

See accompanying Notes to Financial Statements

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

ENHANCED INDEXED U.S. EQUITY FUND

Fair Value Measurement Discussion

as at March 31

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
(\$000s)			
Money Market Investments	\$ -	\$ 5,273	\$ 5,273
Public Equities	2,020,595	-	2,020,595
Total Investments	2,020,595	5,273	2,025,868
Futures Contracts	6	-	6
Total	\$ 2,020,601	\$ 5,273	\$ 2,025,874

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
(\$000s)			
Money Market Investments	\$ -	\$ 7,690	\$ 7,690
Public Equities	1,800,815	-	1,800,815
Total Investments	1,800,815	7,690	1,808,505
Futures Contracts	(28)	-	(28)
Total	\$ 1,800,787	\$ 7,690	\$ 1,808,477

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

See accompanying Notes to Financial Statements

**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)

	2012	2011
Assets		
Investments at fair value	\$ 6,527,264	\$ 5,124,028
Cash	43	168
Net receivable for variation on futures contracts (Schedule One)	289	-
Receivable from sale of investments	1,280	46
Receivable from issue of units	10,264	11,561
Accrued investment income	8,280	6,690
Withholding taxes receivable	30	30
	<u>6,547,450</u>	<u>5,142,523</u>
Liabilities		
Net payable for variation on futures contracts (Schedule One)	-	142
Unrealized loss on foreign currency contracts (Schedule Two)	-	1
bciMC funds management fees payable (note 4)	63	99
Payable for purchase of investments	19,750	4,189
Payable for redemption of units	150	90
Custodial fees payable	40	34
Accounts payable	2	1
	<u>20,005</u>	<u>4,556</u>
Net assets representing unitholders' equity	<u>\$ 6,527,445</u>	<u>\$ 5,137,967</u>
Number of units outstanding (note 5)	<u>1,612.224</u>	<u>1,414.998</u>
Net asset value per unit (note 6)	<u>\$ 4,049</u>	<u>\$ 3,631</u>

[s] Doug Pearce

Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the year ended March 31

(in \$000s)

	2012	2011
Investment Income	\$ 143,188	\$ 115,664
Foreign exchange translation gains	5,690	-
	<u>148,878</u>	<u>115,664</u>
Expenses (note 4):		
Foreign exchange translation losses	-	13,474
Commissions and stock exchange fees	342	226
bciMC funds management fees	1,853	1,509
Custodial fees	128	121
Administrative and professional fees	8	9
	<u>2,331</u>	<u>15,339</u>
Net investment income	<u>146,547</u>	<u>100,325</u>
Realized and unrealized gains (losses):		
Net realized loss	(68,474) ¹	(130,494) ¹
Change in unrealized gain	636,203 ¹	587,815 ¹
	<u>567,729</u>	<u>457,321</u>
Net income from operations	<u>714,276</u>	<u>557,646</u>
Capital Transactions:		
Proceeds from units issued	1,451,506	1,583,721
Amounts paid for units redeemed	(776,304)	(1,698,987)
	<u>675,202</u>	<u>(115,266)</u>
Increase in net assets	1,389,478	442,380
Net assets, beginning of year	<u>5,137,967</u>	<u>4,695,587</u>
Net Assets, end of year	<u>\$ 6,527,445</u>	<u>\$ 5,137,967</u>

¹ The net realized loss and change in unrealized gain includes the following exchange gain (loss)

\$ 150,320	\$ (294,954)
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**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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income from operations	\$ 714,276	\$ 557,646
Items not affecting cash:		
Net realized loss	68,474	130,494
Change in unrealized gain	(636,203)	(587,815)
	<u>146,547</u>	<u>100,325</u>
Changes in non-cash operating accounts:		
Net receivable for variation on futures contracts	(289)	-
Receivable from sale of investments	(1,234)	141,612
Receivable from issue of units	1,297	5,339
Accrued investment income	(1,590)	(506)
Withholding taxes receivable	-	1
Net payable for variation on futures contracts	(142)	51
bclMC funds management fees payable	(36)	16
Payable for purchase of investments	15,561	(6,672)
Payable for redemption of units	60	(151,310)
Custodial fees payable	6	7
Accounts payable	1	(4)
	<u>160,181</u>	<u>88,859</u>
Cash flows from investing activities		
Proceeds from sale of investments	1,206,023	1,510,983
Amounts paid for purchase of investments	(2,041,531)	(1,484,408)
	<u>(835,508)</u>	<u>26,575</u>
Cash flows from financing activities		
Proceeds from units issued	1,451,506	1,583,721
Amounts paid for units redeemed	(776,304)	(1,698,987)
	<u>675,202</u>	<u>(115,266)</u>
Increase (decrease) in cash	(125)	168
Cash, beginning of year	168	-
Cash, end of year	<u>\$ 43</u>	<u>\$ 168</u>

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 6,449,616	\$ 5,842,971	\$ 5,066,265	\$ 5,095,102
Money Market Investments:				
U.S. T-Bills	14,989	14,815	6,808	6,807
Units of bclMC Pooled Investment Portfolio				
Fund ST1	747	747	372	372
Fund ST3	<u>61,912</u>	<u>62,287</u>	<u>50,583</u>	<u>51,506</u>
	<u>77,648</u>	<u>77,849</u>	<u>57,763</u>	<u>58,685</u>
Total Investments	<u>\$ 6,527,264</u>	<u>\$ 5,920,820</u>	<u>\$ 5,124,028</u>	<u>\$ 5,153,787</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)
2012	217	June 2012	\$ 76,082	\$ 289
2011	219	June 2011	\$ 70,354	\$ (142)

\$15.0 million (2011 - \$6.8 million) U.S. T-Bills, maturing in June 2012 (June 2011) are held on margin for the equity index futures contracts. See note 9 for additional information on derivatives.

**Schedule Two - Foreign Currency Contracts
as at March 31, 2011**

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Loss (\$000s)
2011	2	April 2011	\$ 11,471	\$ (1)

There were no foreign currency contracts outstanding as at March 31, 2012.

**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 or units used for the management of futures contracts.
- Investments in individual companies will be held approximately in the same proportion as their weighting in the Index.

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

Credit Risk

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 prevailing market interest rates.

Currency Risk

The Fund holds net assets, including foreign currency contracts, denominated in U.S. currency totalling \$6,604,139,000 Cdn which represents 102% of the net asset value of the Fund (2011 - \$5,137,728,000 Cdn which represented 99% of the net asset value of the Fund). As at March 31, 2012, 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 \$66,041,000 Cdn (2011- \$51,377,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 710,020	11.0	\$ 528,057	10.4
Consumer Staple	695,022	10.8	517,235	10.2
Energy	714,362	11.1	672,002	13.3
Financial Services	956,818	14.8	793,072	15.8
Health Care	746,253	11.6	560,242	11.1
Industrial Products	685,450	10.6	570,890	11.3
Information Technology	1,329,678	20.6	916,183	18.1
Materials and Processing	222,573	3.5	187,019	3.7
Telecommunication Services	176,111	2.7	154,361	3.0
Utilities	213,329	3.3	161,204	3.2
Total Equities	\$ 6,449,616	100.0	\$ 5,066,265	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 \$644,962,000 Cdn (2011 - \$506,626,000 Cdn), representing 9.9% of the Fund's net assets (2011 - 9.9%). 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, 2012 and 2011, 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. 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

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

(\$000s)	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Money Market Investments	\$ -	\$ 77,648	\$ 77,648
Public Equities	6,449,616	-	6,449,616
Total Investments	6,449,616	77,648	6,527,264
Futures Contracts	289	-	289
Total	\$ 6,449,905	\$ 77,648	\$ 6,527,553

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Money Market Investments	\$ -	\$ 57,763	\$ 57,763
Public Equities	5,066,265	-	5,066,265
Total Investments	5,066,265	57,763	5,124,028
Futures Contracts	(142)	-	(142)
Foreign Currency Contracts, Net	-	(1)	(1)
Total	\$ 5,066,123	\$ 57,762	\$ 5,123,885

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

**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)

	2012	2011
Assets		
Investments at fair value	\$ 899,178	\$ 800,198
Cash	21	49
Receivable from sale of investments	-	1,490
Accrued investment income	971	710
Withholding taxes receivable	1	-
	<u>900,171</u>	<u>802,447</u>
Liabilities		
bclMC funds management fees payable (note 4)	33	22
Payable for purchase of investments	1,229	1,508
Custodial fees payable	4	6
Accounts payable	2	1
	<u>1,268</u>	<u>1,537</u>
Net assets representing unitholders' equity	<u>\$ 898,903</u>	<u>\$ 800,910</u>
Number of units outstanding (note 5)	<u>877,414</u>	<u>877,414</u>
Net asset value per unit (note 6)	<u>\$ 1,024</u>	<u>\$ 913</u>

[s] Doug Pearce

Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the year ended March 31

(in \$000s)

	2012	2011
Investment Income	\$ 16,436	\$ 9,491
Foreign exchange translation gains	-	2,456
	<u>16,436</u>	<u>11,947</u>
Expenses (note 4):		
Foreign exchange translation losses	80	-
Commissions and stock exchange fees	8	62
bclMC funds management fees	532	331
Custodial fees	25	18
Administrative and professional fees	5	6
	<u>650</u>	<u>417</u>
Net investment income	<u>15,786</u>	<u>11,530</u>
Realized and unrealized gains (losses):		
Net realized loss	(16,483) ¹	(5,148) ¹
Change in unrealized gain	98,690 ¹	21,609 ¹
	<u>82,207</u>	<u>16,461</u>
Net income from operations	<u>97,993</u>	<u>27,991</u>
Capital Transactions:		
Proceeds from units issued	-	355,097
Amounts paid for units redeemed	-	(5,097)
	<u>-</u>	<u>350,000</u>
Increase in net assets	97,993	377,991
Net assets, beginning of year	<u>800,910</u>	<u>422,919</u>
Net Assets, end of year	<u>\$ 898,903</u>	<u>\$ 800,910</u>

¹ The net realized loss and change in unrealized gain includes the following exchange gain (loss):

\$ 19,358	\$ (25,213)
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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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income from operations	\$ 97,993	\$ 27,991
Items not affecting cash:		
Net realized loss	16,483	5,148
Change in unrealized gain	(98,690)	(21,609)
	15,786	11,530
Changes in non-cash operating accounts:		
Receivable from sale of investments	1,490	(1,490)
Accrued investment income	(261)	(259)
Withholding taxes receivable	(1)	-
bcIMC funds management fees payable	11	-
Payable for purchase of investments	(279)	1,508
Custodial fees payable	(2)	1
Accounts payable	1	(4)
	16,745	11,286
Cash flows from investing activities		
Proceeds from sale of investments	40,981	(209,622)
Amounts paid for purchase of investments	(57,754)	(151,616)
	(16,773)	(361,238)
Cash flows from financing activities		
Proceeds from units issued	-	355,097
Amounts paid for units redeemed	-	(5,097)
	-	350,000
Increase (decrease) in cash	(28)	48
Cash, beginning of year	49	1
Cash, end of year	\$ 21	\$ 49

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 897,366	\$ 837,239	\$ 799,480	\$ 838,036
Money Market Investments:				
Units of bcIMC Pooled Investment Portfolio				
Fund ST1	259	259	158	158
Fund ST3	1,553	1,548	560	562
	1,812	1,807	718	720
Total Investments	<u>\$ 899,178</u>	<u>\$ 839,046</u>	<u>\$ 800,198</u>	<u>\$ 838,756</u>

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 MSCI KLD 400 Social Index (KLDSI), the Fund's benchmark.

The KLDSI incorporates environmental, social, and governance principles in its investment selection process and is modeled on the S&P 500 index. The KLDSI 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 KLDSI 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 bclMC's Pooled Investment Portfolio Funds ST1, ST2 and ST3.

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

Credit Risk

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 prevailing market interest rates.

Financial Risk Management Discussion (continued) as at March 31

Currency Risk

The Fund holds net assets denominated in U.S. currency totalling \$900,623,000 Cdn which represents 100% of the net asset value of the Fund (2011 - \$800,780,000 Cdn which represented 100% of the net asset value of the Fund). As at March 31, 2012, 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 \$9,006,000 Cdn (2011 - \$8,008,000 Cdn). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

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)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 111,663	12.4	\$ 95,947	12.0
Consumer Staple	115,499	12.9	96,217	12.0
Energy	45,519	5.1	48,089	6.0
Financial Services	111,584	12.4	112,118	14.0
Health Care	140,987	15.7	123,841	15.6
Industrial Products	86,959	9.7	78,905	9.9
Information Technology	236,025	26.3	198,416	24.8
Materials and Processing	24,407	2.7	22,446	2.8
Telecommunication Services	6,478	0.7	7,478	0.9
Utilities	16,015	1.8	13,435	1.7
Other	2,230	0.2	2,588	0.3
Total Equities	\$ 897,366	100.0	\$ 793,480	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 \$89,737,000 (2011- \$79,948,000), representing 10.0% of the Fund's net assets (2011 - 10.0%). 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, 2012 and 2011, 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. 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

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

(\$000s)	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
	Money Market Investments	\$ -	\$ 1,812
Public Equities	897,366	-	897,366
Total Investments	\$ 897,366	\$ 1,812	\$ 899,178

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
	Money Market Investments	\$ -	\$ 718
Public Equities	799,480	-	799,480
Total Investments	\$ 799,480	\$ 718	\$ 800,198

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

See accompanying Notes to Financial Statements

**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>2012</u>	<u>2011</u>
Assets		
Investments at fair value	\$ 3,992,100	\$ 3,488,936
Unrealized gains on foreign currency contracts (Schedule One)	2	24
Cash	89,376	56,702
Receivable from sale of investments	31,806	34,841
Receivable from issue of units	104,200	-
Accrued investment income	10,286	6,008
Withholding taxes receivable	-	82
	<u>4,227,770</u>	<u>3,586,593</u>
Liabilities		
Unrealized losses on foreign currency contracts (Schedule One)	18	40
bclMC funds management fees payable (note 4)	37	60
Payable for purchase of investments	118,657	33,670
External management fees payable	6,842	6,185
Custodial fees payable	1,037	1,068
Accounts payable	3	2
	<u>126,594</u>	<u>41,025</u>
Net assets representing unitholders' equity	<u>\$ 4,101,176</u>	<u>\$ 3,545,568</u>
Number of units outstanding (note 5)	<u>4,140,102</u>	<u>3,500,810</u>
Net asset value per unit (note 6)	<u>\$ 991</u>	<u>\$ 1,013</u>

[s] Doug Pearce

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>2012</u>	<u>2011</u>
Investment Income	\$ 99,608	\$ 62,002
Foreign exchange translation gains	24,067	27,436
	<u>123,675</u>	<u>89,438</u>
Expenses (note 4):		
Commissions and stock exchange fees	8,442	8,970
bclMC funds management fees	1,110	814
External management fees	24,896	21,938
Custodial fees	4,029	3,833
Administrative and professional fees	80	76
	<u>38,557</u>	<u>35,631</u>
Net investment income	<u>85,118</u>	<u>53,807</u>
Realized and unrealized gains (losses):		
Net realized gain (loss)	(76,060)	46,974
Change in unrealized gain (loss)	(49,527)	196,397
	<u>(125,587)¹</u>	<u>243,371¹</u>
Net income (loss) from operations	<u>(40,469)</u>	<u>297,178</u>
Capital Transactions:		
Proceeds from units issued	596,077	1,246,028
Amounts paid for units redeemed	-	(83,695)
	<u>596,077</u>	<u>1,162,333</u>
Increase in net assets	555,608	1,459,511
Net assets, beginning of year	<u>3,545,568</u>	<u>2,086,057</u>
Net Assets, end of year	<u>\$ 4,101,176</u>	<u>\$ 3,545,568</u>

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

\$	(149,463)	\$	(90,367)
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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)**

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income (loss) from operations	\$ (40,469)	\$ 297,178
Items not affecting cash:		
Net realized loss (gain)	76,060	(46,974)
Change in unrealized loss (gain)	49,527	(196,397)
	85,118	53,807
Changes in non-cash operating accounts:		
Receivable from sale of investments	3,035	(25,172)
Receivable from issue of units	(104,200)	200,000
Accrued investment income	(4,278)	(2,119)
Withholding taxes receivable	82	(77)
bcIMC funds management fees payable	(23)	32
Payable for purchase of investments	84,987	(164,428)
External management fees payable	657	3,289
Custodial fees payable	(31)	677
Accounts payable	1	(4)
	65,348	66,005
Cash flows from investing activities		
Proceeds from sale of investments	1,727,326	1,442,139
Amounts paid for purchase of investments	(2,356,077)	(2,637,987)
	(628,751)	(1,195,848)
Cash flows from financing activities		
Proceeds from units issued	596,077	1,246,028
Amounts paid for units redeemed	-	(83,695)
	596,077	1,162,333
Increase in cash	32,674	32,490
Cash, beginning of year	56,702	24,212
Cash, end of year	\$ 89,376	\$ 56,702

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Publicly Traded	\$ 3,991,302	\$ 3,659,811	\$ 3,487,166	\$ 3,106,181
Bonds:				
Corporate	353	387	362	363
Money Market Investments:				
Units in bcIMC Pooled Investment Portfolio Fund ST1	445	445	1,408	1,408
Investments	\$ 3,992,100	\$ 3,660,643	\$ 3,488,936	\$ 3,107,952

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

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain/(Loss) (\$000s)
2012	9	April 2012	\$ 8,694	\$ (18)
	9	April 2012	3,047	2
			<u>\$ 11,741</u>	<u>\$ (16)</u>
Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain/(Loss) (\$000s)
2011	26	April 2011	\$ 9,670	\$ (40)
	18	April 2011	8,552	24
			<u>\$ 18,222</u>	<u>\$ (16)</u>

**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, including preferred shares, installment receipts, convertible securities, rights and warrants, of companies listed on an emerging market exchange or included in a MSCI emerging market index, of companies listed on a developed market exchange or included in a MSCI developed market index provided that 50% or more of those companies' assets, revenues or profits are derived from emerging markets, or of companies listed on a developed market exchange when such exchange has been approved by the CIO (which companies shall not exceed 10% of the market value of the Pool);
- International exchange-listed depository receipts of companies listed on an emerging market exchange or included in a MSCI emerging market index, of companies listed on a developed market exchange or included in a MSCI developed market index provided that 50% or more of those companies' assets, revenues or profits are derived from emerging markets, or of companies listed on a developed market exchange when such exchange has been approved by the CIO (which companies shall not exceed 10% of the market value of the Pool)
- exchange traded funds based on the Index or countries/regions within the 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,
- 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.

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

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

Credit Risk

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 prevailing market interest rates.

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**

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)	2012		2011	
	Total	% of Total Net Assets	Total	% of Total Net Assets
Brazilian Real	\$ 570,247	13.9	\$ 562,058	15.9
British Pound Sterling	40,627	1.0	60,677	1.7
Chilean Peso	9,856	0.2	15,034	0.4
Chinese Renminbi	-	-	207	-
Colombian Peso	2,315	0.1	-	-
Czech Koruna	5,604	0.1	-	-
Egyptian Pound	4,203	0.1	13,470	0.4
Euro	220	0.0	1,188	-
Hong Kong Dollar	389,296	9.5	311,704	8.8
Hungarian Forint	15,613	0.4	21,460	0.6
Indian Rupee	788,487	19.2	733,308	20.7
Indonesian Rupiah	86,426	2.1	62,803	1.8
Korean Won	224,703	5.5	229,472	6.5
Malaysian Ringgit	113,945	2.8	67,508	1.9
Mexican Peso	162,743	4.0	128,392	3.6
Peruvian Sol	77	0.0	56	-
Philippines Peso	33,910	0.8	27,769	0.8
Polish Zloty	16,508	0.4	13,973	0.4
Singapore Dollar	6,619	0.2	-	-
South African Rand	259,729	6.3	184,555	5.2
Taiwan Dollar	133,987	3.3	126,234	3.6
Thai Baht	102,017	2.5	64,598	1.8
Turkish Lira	47,956	1.2	51,100	1.4
United States Dollar	935,310	22.8	838,972	23.7
Net Foreign Exchange Exposure	\$ 3,950,398	96.4	\$ 3,514,538	99.2

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 \$39,504,000 (2011 - \$35,145,000) representing 1.0% of the Fund's net assets (2011 -1.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

**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)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 342,557	8.6	\$ 325,360	9.3
Consumer Staple	759,006	19.0	522,594	15.0
Energy	426,593	10.7	448,377	12.9
Financial Services	957,914	24.0	793,819	22.8
Health Care	85,847	2.2	69,960	2.0
Industrial Products	201,006	5.0	210,082	6.0
Information Technology	481,104	12.1	415,919	11.9
Materials and Processing	343,014	8.6	381,876	11.0
Telecommunication Services	196,417	4.9	161,441	4.6
Utilities	129,965	3.3	84,805	2.4
Other	67,879	1.7	72,933	2.1
Total Equities	\$ 3,991,302	100.0	\$ 3,487,166	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 \$363,208,000 (2011 - \$320,819,000), representing 8.9% of the Fund's net assets (2011 - 9.0%). 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, 2012 and 2011, 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. 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 EMERGING MARKETS EQUITY FUND

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

Equity by Geographic Region

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

GEOGRAPHIC REGION (in \$000s)	2012		2011	
	Total	% of Total	Total	% of Total
Bermuda	\$ 15,848	0.4	\$ 12,249	0.4
Brazil	870,320	21.8	892,259	25.6
Canada	8,928	0.2	6,418	0.2
Chile	67,257	1.7	47,700	1.4
China	479,407	12.0	307,055	8.8
Columbia	30,860	0.8	17,853	0.5
Czech Republic	5,604	0.1	-	-
Egypt	4,203	0.1	13,470	0.4
Hong Kong	78,950	2.0	64,672	1.9
Hungary	15,613	0.4	21,459	0.6
India	875,080	21.9	807,595	22.9
Indonesia	87,604	2.2	62,258	1.8
Italy	16,598	0.4	-	-
Korea	224,052	5.6	227,913	6.5
Luxembourg	-	-	15,994	0.5
Malaysia	114,379	2.9	68,597	2.0
Mexico	300,190	7.5	241,087	6.9
Netherlands	-	-	7,464	0.2
Panama	62	0.0	52	0.0
Peru	18,341	0.5	2,818	0.1
Philippines	40,243	1.0	28,267	0.8
Poland	16,508	0.4	13,973	0.4
Russia	109,109	2.7	110,894	3.2
Singapore	6,619	0.2	-	-
South Africa	195,846	4.9	188,382	5.4
Taiwan	134,019	3.4	128,857	3.7
Thailand	101,893	2.6	68,084	2.0
Turkey	47,640	1.2	50,900	1.5
United Kingdom	107,505	2.7	59,548	1.7
United States	18,624	0.5	21,548	0.6
Total Equities	\$ 3,991,302	100.0	\$ 3,487,166	100.0

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

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

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2012:

(\$000s)	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
		\$	\$
Money Market Investments	-	445	445
Bonds	-	353	353
Public Equities	3,991,302	-	3,991,302
Total Investments	3,991,302	798	3,992,100
Foreign Currency Contracts, Net	-	(16)	(16)
Total	\$ 3,991,302	\$ 782	\$ 3,992,084

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
		\$	\$
Money Market Investments	-	1,408	1,408
Bonds	-	362	362
Public Equities	3,487,166	-	3,487,166
Total Investments	3,487,166	1,770	3,488,936
Foreign Currency Contracts, Net	-	(16)	(16)
Total	\$ 3,487,166	\$ 1,754	\$ 3,488,920

During 2011, there were no significant transfers between Level 1 and Level 2. Significant other unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

See accompanying Notes to Financial Statements

**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>2012</u>	<u>2011</u>
Assets		
Investments at fair value	\$ 57,606	\$ 38,522
Unrealized gain on foreign currency contracts (Schedule One)	<u>11,814</u>	<u>3,564</u>
	<u>69,420</u>	<u>42,086</u>
Liabilities		
Unrealized loss on foreign currency contracts (Schedule One)	2,571	3,212
bciMC funds management fees payable (note 4)	60	26
Accounts payable	<u>2</u>	<u>1</u>
	<u>2,633</u>	<u>3,239</u>
Net assets representing unitholders' equity	<u>\$ 66,787</u>	<u>\$ 38,847</u>
Number of units outstanding (note 5)	<u>69,365</u>	<u>15,150</u>
Net asset value per unit (note 6)	<u>\$ 963</u>	<u>\$ 2,564</u>

[s] Doug Pearce

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>2012</u>	<u>2011</u>
Investment Income	\$ 1,950	\$ 718
Expenses (note 4):		
bciMC funds management fees	412	244
Custodial fees	9	5
Administrative and professional fees	<u>6</u>	<u>7</u>
	<u>427</u>	<u>256</u>
Net investment income	<u>1,523</u>	<u>462</u>
Realized and unrealized gains (losses):		
Net realized loss	(18,810) ¹	(1,287) ¹
Change in unrealized gain (loss)	<u>10,227¹</u>	<u>(19,260)¹</u>
	<u>(8,583)</u>	<u>(20,547)</u>
Net loss from operations	<u>(7,060)</u>	<u>(20,085)</u>
Capital Transactions:		
Proceeds from units issued	35,499	3,293
Amounts paid for units redeemed	<u>(499)</u>	<u>(3,293)</u>
	<u>35,000</u>	<u>-</u>
Increase (decrease) in net assets	27,940	(20,085)
Net assets, beginning of year	<u>38,847</u>	<u>58,932</u>
Net Assets, end of year	<u>\$ 66,787</u>	<u>\$ 38,847</u>

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

\$ (7,708)	\$ (18,402)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

JAPANESE YEN CURRENCY HEDGING FUND

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

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net loss from operations	\$ (7,060)	\$ (20,085)
Items not affecting cash:		
Net realized loss	18,810	1,287
Change in unrealized (gain) loss	(10,227)	19,260
	1,523	462
Changes in non-cash operating accounts:		
Receivable from sale of investments	-	734
bclMC funds management fees payable	34	15
Payable for redemption of units	-	(734)
Accounts payable	1	(4)
	1,558	473
Cash flows from investing activities		
Proceeds from sale of investments	108,888	130,250
Amounts paid for purchase of investments	(145,446)	(130,723)
	(36,558)	(473)
Cash flows from financing activities		
Proceeds from units issued	35,499	3,293
Amounts paid for units redeemed	(499)	(3,293)
	35,000	-
Increase in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

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

	2012		2011	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Units of bclMC				
Indexed Asian Equity Fund	\$ 57,053	\$ 56,784	\$ 33,675	\$ 34,742
	57,053	56,784	33,675	34,742
Money Market Investments:				
Units of bclMC Pooled				
Investment Portfolio Fund ST2	553	553	4,847	4,847
Total Investments	\$ 57,606	\$ 57,337	\$ 38,522	\$ 39,589

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

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain/(Loss) (\$000s)
2012	4	April 2012	276,167	2,878
	2	May 2012	128,093	8,936
			404,260	11,814
2012	2	May 2012	135,490	(2,571)
			539,750	9,243
Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain/(Loss) (\$000s)
2011	2	April 2011	\$ 144,692	\$ 637
	1	May 2011	76,588	2,927
			221,280	3,564
2011	3	April 2011	209,551	(3,212)
			\$ 430,831	\$ 352

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

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The established minimum credit ratings for the counterparties outlined above mitigate the counterparty 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 prevailing market interest rates.

**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)	2012		Net Exposure	% of Total Net Assets
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)		
Australian Dollar	\$ 13,763	\$ -	\$ 13,763	20.6
Hong Kong Dollar	4,644	-	4,644	7.0
Japanese Yen	35,375	(257,218)	(221,843)	(332.2)
New Zealand Dollar	193	-	193	0.3
Singapore Dollar	2,850	-	2,850	4.3
United States Dollar	96	(2)	94	0.1
Net Foreign Exchange Exposure	\$ 56,921	(\$ 257,220)	(\$ 200,299)	(299.9)

CURRENCY (\$000s)	2011		Net Exposure	% of Total Net Assets
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)		
Australian Dollar	\$ 8,808	(\$ 42)	\$ 8,766	22.6
Hong Kong Dollar	2,756	(11)	2,745	7.1
Japanese Yen	20,228	(277,415)	(257,187)	(662.1)
New Zealand Dollar	101	(2)	99	0.3
Singapore Dollar	1,648	8	1,656	4.3
United States Dollar	96	44	140	0.4
Net Foreign Exchange Exposure	\$ 33,637	(\$ 277,418)	(\$ 243,781)	(627.4)

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 \$2,003,000 Cdn (2011 - \$2,438,000 Cdn), representing 3% of the Fund's net assets (2011 - 6.3%). 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**

Other Price Risk

The Fund is exposed to other price risk through the holding of units in the Indexed Asian 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 Asian Equity Fund is as follows:

INDUSTRY SECTOR (in \$000s)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 8,328	14.6	\$ 4,565	13.6
Consumer Staple	3,493	6.1	1,376	5.9
Energy	1,509	2.6	999	3.0
Financial Services	16,511	28.9	9,518	28.2
Health Care	2,605	4.6	1,446	4.3
Industrial Products	9,191	16.1	5,415	16.1
Information Technology	4,544	8.0	2,709	8.0
Materials and Processing	6,090	10.7	4,198	12.5
Telecommunication Services	2,047	3.6	1,189	3.5
Utilities	2,096	3.7	1,244	3.7
Other	36	0.1	95	0.3
Total Underlying Equities	56,450	98.9	33,354	99.1
Other Underlying Net Assets	603	1.1	321	0.9
Total Fair Value of Equity Units	\$ 57,053	100.0	\$ 33,675	100.0

The expected impact on the net assets of the Fund of a 10 percent increase/decrease in the Indexed Asian Equity Fund's benchmark would be an increase/ decrease, respectively, of \$5,648,000 (2011- \$3,334,000), representing 8.5% of the Fund's net assets (2011 - 8.6%). 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, 2012 and 2011, 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. 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 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments.

The following is a summary of the inputs used to value the Fund's financial instruments as at March 3, 2012 based on a proportionate share of the underlying equities and other net assets held by the Indexed Asian Equity Fund:

(\$000s)	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Cash and Cash Equivalents	\$ 603	\$ -	\$ 603
Money Market Investments	-	553	553
Public Equities	56,450	-	56,450
Total Investments	57,053	553	57,606
Foreign Currency Contracts, Net	9,243	-	9,243
Total	\$ 66,296	\$ 553	\$ 66,849

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012.

The following is a summary of the inputs used to value the Fund's financial instruments as of March 31, 2011:

(\$000s)	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Cash and Cash Equivalents	\$ 321	\$ -	\$ 321
Money Market Investments	-	4,847	4,847
Public Equities	33,354	-	33,354
Total Investments	33,675	4,847	38,522
Foreign Currency Contracts, Net	-	352	352
Total	\$ 33,675	\$ 5,199	\$ 38,874

During 2011, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

**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)

	<u>2012</u>	<u>2011</u>
Assets		
Investments at fair value	\$ 108,947	\$ 90,818
Unrealized gain on foreign currency contracts (Schedule One)	5,279	2,366
Receivable from sale of investments	-	8,000
	<u>114,226</u>	<u>101,184</u>
Liabilities		
Unrealized loss on foreign currency contracts (Schedule One)	13,082	24,314
bclMC funds management fees payable (note 4)	63	28
Accounts payable	2	1
	<u>13,147</u>	<u>24,343</u>
Net assets representing unitholders' equity	<u>\$ 101,079</u>	<u>\$ 76,841</u>
Number of units outstanding (note 5)	<u>119,382</u>	<u>118,624</u>
Net asset value per unit (note 6)	<u>\$ 847</u>	<u>\$ 648</u>

[s] Doug Pearce

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>2012</u>	<u>2011</u>
Investment Income	\$ 2,902	\$ 2,851
Expenses (note 4):		
bclMC funds management fees	447	257
Custodial fees	17	22
Administrative and professional fees	7	6
	<u>471</u>	<u>285</u>
Net investment income	<u>2,431</u>	<u>2,566</u>
Realized and unrealized gains (losses):		
Net realized gain	9,236 ¹	16,877 ¹
Change in unrealized gain (loss)	12,110 ¹	(41,531) ¹
	<u>21,346</u>	<u>(24,654)</u>
Net income (loss) from operations	<u>23,777</u>	<u>(22,088)</u>
Capital Transactions:		
Proceeds from units issued	3,137	34,378
Amounts paid for units redeemed	(2,676)	(9,178)
	<u>461</u>	<u>25,200</u>
Increase in net assets	24,238	3,112
Net assets, beginning of period	<u>76,841</u>	<u>73,729</u>
Net Assets, end of period	<u>\$ 101,079</u>	<u>\$ 76,841</u>

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

\$ 25,572	\$ (31,256)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

EURO CURRENCY HEDGING FUND

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

	2012	2011
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income (loss) from operations	\$ 23,777	\$ (22,088)
Items not affecting cash:		
Net realized gain	(9,236)	(16,877)
Change in unrealized (gain) loss	(12,110)	41,531
	2,431	2,566
Changes in non-cash operating accounts:		
Receivable from sale of investments	8,000	(8,000)
Receivable from issue of units	-	1,322
bclMC funds management fees payable	35	23
Payable from redemption of units	-	(1,322)
Accounts payable	1	(4)
	10,467	(5,415)
Cash flows from investing activities		
Proceeds from sale of investments	200,172	319,084
Amounts paid for purchase of investments	(211,100)	(338,869)
	(10,928)	(19,785)
Cash flows from financing activities		
Proceeds from units issued	3,137	34,378
Amounts paid for units redeemed	(2,676)	(9,178)
	461	25,200
Increase in cash	-	-
Cash, beginning of period	-	-
Cash, end of period	\$ -	\$ -

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

	2011		2010	
	Fair Value	Cost	Fair Value	Cost
Equities:				
Units of bclMC				
Indexed European Equity Fund	\$ 108,773	\$ 106,866	\$ 84,681	\$ 80,739
Money Market Investments:				
Units of bclMC Pooled				
Investment Portfolio				
Fund ST2	174	174	6,137	6,137
Total Investments	<u>\$ 108,947</u>	<u>\$ 107,040</u>	<u>\$ 90,818</u>	<u>\$ 86,876</u>

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

Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain/(Loss) (\$000s)
2012	10	April 2012	\$ 683,485	\$ 5,279
2012	10	April 2012	675,722	(7,764)
	10	May 2012	678,751	(5,318)
			1,354,473	(13,082)
			<u>\$ 2,037,958</u>	<u>\$ (7,803)</u>
Date	Number of Contracts	Expiry Dates	Notional Value (\$000s)	Unrealized Gain/(Loss) (\$000s)
2011	2	April 2011	\$ 222,644	\$ 1,123
	2	May 2011	211,919	1,243
			434,563	2,366
2011	9	April 2011	969,480	(23,212)
	2	May 2011	222,690	(1,102)
			1,192,170	(24,314)
			<u>\$ 1,626,733</u>	<u>\$ (21,948)</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 bciMC's indexed equity funds, and
- money market securities rated A-1(Low) or better, and units of bciMC'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 7 of the financial statements provides information on various types of financial risks associated with investing. The following information pertains specifically to this Fund.

Credit Risk

The Fund invests in foreign currency contracts which inherently have counterparty risk. The established minimum credit ratings for the counterparties outlined above mitigate the counterparty 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 prevailing market interest rates.

**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)	2012			
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	\$ 35,925	\$ 7	\$ 35,932	35.5
Danish Krone	1,878	-	1,878	1.9
Euro	49,334	(684,068)	(634,734)	(628.0)
Norwegian Krone	1,609	-	1,609	1.6
Swedish Krona	5,389	-	5,389	5.3
Swiss Franc	14,439	-	14,439	14.3
United States Dollar	130	(4)	126	0.1
Net Foreign Exchange Exposure	\$ 108,704	(\$684,065)	(\$575,361)	(569.2)

CURRENCY (\$000s)	2011			
	Investments and Investment-Related Receivables/ (Payables)	Net Foreign Currency Contracts Receivable/ (Payable)	Net Exposure	% of Total Net Assets
British Pound Sterling	\$ 26,382	(\$229)	\$ 26,153	34.0
Danish Krone	1,434	(17)	1,417	1.8
Euro	41,802	(779,997)	(738,195)	(960.7)
Norwegian Krone	1,210	(12)	1,198	1.6
Swedish Krona	4,215	(74)	4,141	5.4
Swiss Franc	10,295	(115)	10,180	13.2
United States Dollar	179	-	179	0.2
Net Foreign Exchange Exposure	\$ 85,517	(\$780,444)	(\$694,927)	(904.5)

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 \$5,754,000 Cdn (2011- \$6,949,000 Cdn), representing 5.7% of the Fund's net assets (2011 - 9.0%). 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**

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 European Equity Fund is as follows:

INDUSTRY SECTOR (in \$000s)	2012		2011	
	Total	% of Total	Total	% of Total
Consumer Discretionary	\$ 9,526	8.8	\$ 7,109	8.4
Consumer Staple	15,196	14.0	9,889	11.7
Energy	12,726	11.7	9,653	11.4
Financial Services	20,733	19.1	18,290	21.6
Health Care	12,257	11.3	7,858	9.3
Industrial Products	11,786	10.8	9,753	11.5
Information Technology	3,342	3.1	2,586	3.1
Materials and Processing	10,646	9.8	8,858	10.5
Telecommunication Services	6,934	6.4	5,637	6.7
Utilities	5,105	4.7	4,591	5.4
Total Underlying Equities	108,251	99.5	84,224	99.6
Other Underlying Net Assets	522	0.5	457	0.4
Total Fair Value of Equity Units	\$ 108,773	100.0	\$ 84,681	100.0

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 \$10,877,000 (2011 - \$8,468,000), representing 10.8% of the Fund's net assets (2011 - 11.0%). 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, 2012 and 2011, 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. 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 8 of the financial statements, a three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's financial instruments. The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2012 based on a proportionate share of the underlying equities and other net assets held by the Indexed European Equity Fund:

(\$000s)	2012		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Cash and Cash Equivalents	\$ 522	\$ -	\$ 522
Money Market Investments	-	174	174
Public Equities	108,251	-	108,251
Rights	-	-	-
Total Investments	108,773	174	108,947
Foreign Currency Contracts, Net	-	(7,803)	(7,803)
Total	\$ 108,773	(\$ 7,629)	\$ 101,144

During 2012, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2012. The following is a summary of the inputs used to value the Fund's financial instruments as at March 31, 2011:

(\$000s)	2011		
	Quoted Price in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Total
Cash and Cash Equivalents	\$ 317	\$ -	\$ 317
Money Market Investments	-	6,137	6,137
Public Equities	84,345	-	84,345
Rights	19	-	19
Total Investments	84,681	6,137	90,818
Foreign Currency Contracts, Net	-	(21,948)	(21,948)
Total	\$ 84,681	(\$ 15,811)	\$ 68,870

During 2011, there were no significant transfers between Level 1 and Level 2. Significant unobservable inputs (Level 3) were not used to value the Fund's financial instruments as at March 31, 2011.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2012**

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:

Pooled Investment Portfolios	Date Established
Canadian Money Market Fund (ST1)	April 21, 1986
Canadian Money Market Fund (ST2)	September 19, 1986
U.S. Dollar Money Market Fund (ST3)	August 1, 1990
Global Government Bond Fund	October 30, 2009
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	February 6, 1995
Enhanced Indexed U.S. Equity Fund	September 1, 1998
U.S. Social Index Fund	October 31, 2006
Active Emerging Markets Equity Fund	March 31, 2008
Japanese Yen Currency Hedging Fund	November 21, 2008
Euro Currency Hedging Fund	February 4, 2010

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 the presentation adopted in the current year.

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.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2012**

2. Significant Accounting Policies (continued)

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 traded on that date are valued at the mean price between the latest bid and asked quotations. 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. 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 operations 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. Gain and losses on the sale of investments are calculated as the difference between the sales proceeds and cost. Translation gains and losses on foreign currency 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 unrealized gains or losses. 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 and bonds. The amortized cost is the cost of acquisition adjusted by amortization of discounts and premiums on a true constant yield basis over the terms of the investments.

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. for the US Dollar Money Market Fund (ST3)). For each subsequent unit issuance and redemption, the unit value is determined by dividing the fair value of the net assets of the portfolio by the total number of units outstanding. Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on the same basis as client transactions. All unit transactions are recorded on a trade date basis. All of the Funds were open-ended Funds throughout the year where the number of units available for issue was unlimited and the proportion of units issued or redeemed by each client on a particular valuation date depended on changes to their desired asset allocation.

e) Foreign Currency Translation

The financial statements of the Funds are presented in Canadian dollars except for the U.S. Dollar Money Market Fund (ST3), which is presented in U.S. dollars. Assets, liabilities and commitments in foreign currencies are translated into Canadian dollars at the current exchange rate on March 31, (US dollars for the U.S. Dollar Money Market Fund (ST3)). Investment income and expenses, and purchases and sales of investments are translated at the rate prevailing on the respective dates of such transactions. Realized gains (losses) and changes in unrealized gains (losses) include foreign currency translation gains (losses) on investments and foreign currency contracts, which have been footnoted and disclosed in each Statement of Operations and Change in Net Assets.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

2. Significant Accounting Policies (continued)

f) Income Taxes

As the Funds represent assets held by bcIMC, as trustee, and as bcIMC is an agent of the Crown, the Funds, which are trusts, are not subject to tax on income and gains realized from such assets. All income and net capital gains realized by the Funds are distributed or made payable by regulation to unitholders of the Funds prior to the end of each calendar year. Most intermediate holding companies held by Funds are exempt from Canadian income tax under paragraph 149(1)(o.2) of the Income Tax Act (Canada). Taxable intermediate holding companies account for eligible corporate income taxes.

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 relies on 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. Future Accounting Changes

International Financial Reporting Standards (IFRS) replaced Canadian GAAP for all publicly accountable enterprises on January 1, 2011. The International Accounting Standards Board (IASB) has issued an Exposure Draft that proposes having investment companies measure their investments at fair value without consolidation. The IASB will be reviewing the responses and making a decision whether to adopt the proposed standard. In the meantime, the Accounting Standards Board of Canada (AcSB) amended Canadian GAAP to allow entities that are currently applying Accounting Guideline AcG-18, *Investment Companies* to apply pre-changeover standards until fiscal years beginning on or after January 1, 2014. The impact of adopting IFRS is expected to be mainly in presentation and additional disclosures in the financial statements of the Funds.

4. Expenses

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

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

5. 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 each Fund in accordance with the Fund's investment objectives, including managing liquidity in order to meet redemptions as discussed under liquidity risk in note 7. The Statement of 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 period:

	CANADIAN MONEY MARKET FUND (ST1)		CANADIAN MONEY MARKET FUND (ST2)		U.S. DOLLAR MONEY MARKET FUND (ST3)	
	2012	2011	2012	2011	2012	2011
Outstanding, beginning of year	316.346	572.799	382.046	495.008	76.981	40.122
Issued	15,189.757	14,272.007	2,177.813	2,015.914	646.992	717.340
Redeemed	(15,156.552)	(14,528.460)	(2,180.783)	(2,128.876)	(664.375)	(680.481)
Outstanding, end of year	<u>349.551</u>	<u>316.346</u>	<u>379.076</u>	<u>382.046</u>	<u>59.598</u>	<u>76.981</u>
	GLOBAL GOVERNMENT BOND FUND		INDEXED CANADIAN EQUITY FUND		ACTIVE CANADIAN EQUITY FUND	
	2012	2011	2012	2011	2012	2011
Outstanding, beginning of year	574.555	574.555	1,194.090	1,174.502	292.239	322.585
Issued	-	-	167.888	162.479	36.335	9.253
Redeemed	-	-	(111.952)	(143.162)	-	(39.599)
Outstanding, end of year	<u>574.555</u>	<u>574.555</u>	<u>1,250.026</u>	<u>1,194.090</u>	<u>328.574</u>	<u>292.239</u>
	ENHANCED INDEXED CANADIAN EQUITY FUND		ACTIVE U.S. EQUITY FUND		INDEXED U.S. EQUITY FUND	
	2012	2011	2012	2011	2012	2011
Outstanding, beginning of year	1,696.748	1,695.654	415.239	473.517	1,414.998	1,433.810
Issued	0.663	29.367	-	47.763	410.001	470.590
Redeemed	-	(28.273)	(42.922)	(106.041)	(212.775)	(489.402)
Outstanding, end of year	<u>1,697.411</u>	<u>1,696.748</u>	<u>372.317</u>	<u>415.239</u>	<u>1,612.224</u>	<u>1,414.998</u>

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

5. Units Outstanding (continued)

	ENHANCED INDEXED U.S. EQUITY FUND		U.S. SOCIAL INDEX FUND		ACTIVE EMERGING MARKETS EQUITY FUND	
	2012	2011	2012	2011	2012	2011
Outstanding, beginning of year	1,152.785	1,152.401	877.414	490.668	3,500.810	2,302.444
Issued	0.774	48.319	-	392.597	639.292	1,282.350
Redeemed	-	(47.935)	-	(5.851)	-	(83.584)
Outstanding, end of year	<u>1,153.559</u>	<u>1,152.785</u>	<u>877.414</u>	<u>877.414</u>	<u>4,140.102</u>	<u>3,500.810</u>

	JAPANESE YEN CURRENCY HEDGING FUND		EURO CURRENCY HEDGING FUND	
	2012	2011	2012	2011
Outstanding, beginning of year	15.150	15.150	118.624	50.000
Issued	55.018	1.131	4.057	76.000
Redeemed	(0.803)	(1.131)	(3.299)	(7.377)
Outstanding, end of year	<u>69.365</u>	<u>15.150</u>	<u>119.382</u>	<u>118.624</u>

6. Reconciliation of Net Asset Value

The calculation of net assets 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 midpoint between bid and asked quotations.

The Canadian Money Market Funds (ST1 and ST2) and the U.S. Dollar Money Market Fund (ST3) are priced the same for financial reporting and transaction purposes, as there are no bid price quotations for the investments held by these Funds. The Japanese Yen and Euro Currency Hedging Funds are also priced the same for financial reporting and transaction purposes, as they primarily hold investments that are units of other Funds, which are not traded in an active market and have no bid pricing available.

BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
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6. Reconciliation of Net Asset Value (continued)

Reconciliations between the Transactional NAV and GAAP NAV for the Bond and Equity Funds as at March 31, 2012 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)
Global Government Bond Fund	642,614	(271)	642,343	1,118	-	1,118
Indexed Canadian Equity Fund	6,616,985	(8,246)	6,608,739	5,293	(6)	5,287
Active Canadian Equity Fund	2,374,168	(2,652)	2,371,516	7,226	(8)	7,218
Enhanced Indexed Canadian Equity Fund	4,233,138	(5,415)	4,227,723	2,494	(3)	2,491
Active U.S. Equity Fund	1,600,739	(503)	1,600,236	4,300	(2)	4,298
Indexed U.S. Equity Fund	6,529,145	(1,700)	6,527,445	4,050	(1)	4,049
Enhanced Indexed U.S. Equity Fund	2,030,928	(516)	2,030,412	1,761	(1)	1,760
U.S. Social Index Fund	899,092	(189)	898,903	1,025	(1)	1,024
Active Emerging Markets Equity Fund	4,107,185	(6,009)	4,101,176	992	(1)	991

Reconciliations between the Transactional NAV and GAAP NAV for the Bond and Equity Funds as at March 31, 2011 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)
Global Government Bond Fund	596,046	(118)	595,928	1,037	-	1,037
Indexed Canadian Equity Fund	7,017,663	(13,695)	7,003,968	5,877	(11)	5,866
Active Canadian Equity Fund	2,305,835	(3,056)	2,301,779	7,891	(15)	7,876
Enhanced Indexed Canadian Equity Fund	4,664,544	(9,030)	4,655,514	2,749	(5)	2,744
Active U.S. Equity Fund	1,672,062	(490)	1,671,572	4,027	(1)	4,026
Indexed U.S. Equity Fund	5,138,719	(752)	5,137,967	3,632	(1)	3,631
Enhanced Indexed U.S. Equity Fund	1,819,128	(225)	1,818,903	1,578	-	1,578
U.S. Social Index Fund	800,950	(40)	800,910	913	-	913
Active Emerging Markets Equity Fund	3,545,431	137	3,545,568	1,013	-	1,013

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2012**

7. Financial Risk Management

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

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 or client groups in accordance with the Fund's purchasing limits that may be established by the Chief Investment Officer (CIO). In order to protect the interest of all clients, the CIO may also establish redemption limits for each Fund. The purchase and redemption limits may vary depending on market circumstances, client demand, and the liquidity of the underlying investments.

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. The money market investments, bonds and mortgages 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, and investment-related receivables, and liabilities, in various currencies. The Funds may use foreign currency contracts to hedge some foreign currency exposure on investment-related receivables and liabilities, and engage in the buying and selling of currencies through the spot market, forward contracts, 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

Market 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 investments, or class of investment, or by 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 futures contracts. The Funds may not sell short, borrow securities, or purchase securities on margin, which limits the potential loss of capital. There are established investment criteria for each Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk. See additional discussion of other price risk in the Financial Risk Management Discussion following each Fund's financial statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
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7. Financial Risk Management (continued)

f) Fair Value of Investment-Related Assets and Liabilities

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

8. Fair Value Hierarchy

Financial instruments are categorized into a hierarchy based on the inputs used to calculate the 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 (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.

9. 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, currency, and other price risk. The financial derivative contracts entered into by the Funds during the year included foreign currency 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. 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 are 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 are agreements to exchange on a specified date in the future a specified amount of one currency for another currency at a specific price. 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 Gain (Loss) 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 Change in Net Assets. The notional amount, number of contracts and expiry periods for the foreign currency contracts are shown, as appropriate, in Schedules One and Two - Foreign Currency Contracts of the respective Statement of Investments.