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

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

British Columbia Investment Management Corporation (bcIMC) manages Pooled Investment Portfolios on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. This report contains the financial statements for the Pooled Investment Portfolios for the years (or periods) ending March 31, 2007.

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

bcIMC's Board has established an Audit Committee. The Committee's mandate includes making recommendations on the appointment of the external auditor for the Pooled Investment Portfolios, and reviewing the annual audited financial statements of the Pooled Investment Portfolios and the internal controls over financial reporting. The Committee reviews the recommendations of the internal and external auditors with respect to internal controls and the responses of management to those recommendations, and also meets with management and the internal and external auditors to review annual audit plans.

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

bcIMC's external auditors, KPMG LLP, have full and unrestricted access to the Audit Committee and bcIMC management. KPMG discusses with management and the Committee the results of their audit of the Pooled Investment Portfolios' financial statements and related findings with respect to such audits. Each of the Pooled Investment Portfolio financial statements is audited by KPMG LLP in accordance with Canadian generally accepted auditing standards. KPMG LLP has performed such tests and other procedures as they considered necessary to express an opinion on the Pooled Investment Portfolio financial statements.



Doug Pearce
Chief Executive Officer
Chief Investment Officer



David Woodward
Vice President, Finance & Operations



KPMG LLP
Chartered Accountants
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AUDITORS' REPORT

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

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

(collectively, the Funds)

We have audited the statements of net assets and of investments of the Funds as at March 31, 2007 and their statements of operations and changes in net assets, and, where presented, of cash flows for the year (or shorter period since establishment as indicated in note 1) ended March 31, 2007. These financial statements are the responsibility of the Funds' Manager. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the net assets and investments of the Funds as at March 31, 2007, and the results of their operations, the changes in their net assets, and their cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
Vancouver, Canada
July 17, 2007

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

CANADIAN MONEY MARKET FUND ST1

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 1,869,551	\$ 2,346,929
Liabilities		
bclMC funds management fees payable (note 6)	17	10
Custodial fees payable	10	10
Accounts payable	5	2
	<u>32</u>	<u>22</u>
Net assets representing unitholders' equity	<u>\$ 1,869,519</u>	<u>\$ 2,346,907</u>
Number of units outstanding (note 7)	561.268	734.483
Net asset value per unit	<u>\$ 3,331</u>	<u>\$ 3,195</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 68,529	\$ 68,268
Expenses (note 6):		
bclMC funds management fees	369	460
Custodial fees	41	49
Administrative and professional fees	6	5
	<u>416</u>	<u>514</u>
Net investment income	68,113	67,754
Net realized gain	-	17
Change in unrealized gain (loss)	<u>2</u>	<u>(11)</u>
Net income from operations	68,115	67,760
Capital Transactions:		
Proceeds from units issued	33,907,245	26,336,375
Amounts paid for units redeemed	<u>(34,452,748)</u>	<u>(25,832,264)</u>
	<u>(545,503)</u>	<u>504,111</u>
Increase (decrease) in net assets	(477,388)	571,871
Net assets, beginning of year	<u>2,346,907</u>	<u>1,775,036</u>
Net Assets, end of year	<u>\$ 1,869,519</u>	<u>\$ 2,346,907</u>

See accompanying Notes to Financial Statements.

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

CANADIAN MONEY MARKET FUND ST1

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Total Cost</u>	<u>Total Fair Value</u>	<u>% of Fair Value</u>
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada	\$ 349,942	\$ 349,942	18.7%
Obligations of, or guaranteed by, the Province of British Columbia	47,744	47,744	2.6%
Obligations of, or guaranteed by, provinces other than the Province of British Columbia	585,439	585,439	31.3%
Obligations of, or guaranteed by, savings institutions	<u>886,426</u>	<u>886,426</u>	<u>47.4%</u>
Total Investments	<u>\$ 1,869,551</u>	<u>\$ 1,869,551</u>	<u>100.0%</u>

All money market investments have a term to maturity within one year and their weighted average yield to maturity is 4.24%.

See accompanying Notes to Financial Statements.

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

CANADIAN MONEY MARKET FUND ST2

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 2,032,041	\$ 1,624,569
Accrued investment income	<u>572</u>	<u>487</u>
	<u>2,032,613</u>	<u>1,625,056</u>
Liabilities		
bclIMC funds management fees payable (note 6)	28	5
Payable for purchase of investments	88,934	48,122
Custodial fees payable	14	14
Accounts payable	<u>6</u>	<u>2</u>
	<u>88,982</u>	<u>48,143</u>
Net assets representing unitholders' equity	<u>\$ 1,943,631</u>	<u>\$ 1,576,913</u>
Number of units outstanding (note 7)	565.357	478.284
Net asset value per unit	<u>\$ 3,438</u>	<u>\$ 3,297</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 99,701	\$ 62,449
Expenses (note 6):		
bclIMC funds management fees	537	575
Custodial fees	48	47
Administrative and professional fees	<u>6</u>	<u>6</u>
	<u>591</u>	<u>628</u>
Net investment income	99,110	61,821
Net realized gain (loss)	255	(823)
Change in unrealized gain (loss)	<u>275</u>	<u>(47)</u>
Net income from operations	99,640	60,951
Capital Transactions:		
Proceeds from units issued	9,239,981	7,376,550
Amounts paid for units redeemed	<u>(8,972,903)</u>	<u>(9,513,381)</u>
	<u>267,078</u>	<u>(2,136,831)</u>
Increase (decrease) in net assets	366,718	(2,075,880)
Net assets, beginning of year	<u>1,576,913</u>	<u>3,652,793</u>
Net Assets, end of year	<u>\$ 1,943,631</u>	<u>\$ 1,576,913</u>

See accompanying Notes to Financial Statements.

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

CANADIAN MONEY MARKET FUND ST2

Statement of Investments
as at March 31, 2007
(in thousands)

	<u>Total Cost</u>	<u>Total Fair Value</u>	<u>% of Fair Value</u>
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada	\$ 504,217	\$ 504,228	24.8%
Obligations of, or guaranteed by, provinces other than the Province of British Columbia	112,296	112,252	5.5%
Obligations of, or guaranteed by, savings institutions	737,058	737,040	36.3%
Commercial paper issued by corporations incorporated under the laws of Canada or a province	<u>678,524</u>	<u>678,521</u>	<u>33.4%</u>
Total Investments	<u><u>\$ 2,032,095</u></u>	<u><u>\$ 2,032,041</u></u>	<u><u>100.0%</u></u>

All money market investments have a term to maturity within one year and their weighted average yield to maturity is 4.30%.

See accompanying Notes to Financial Statements.

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

U.S. DOLLAR MONEY MARKET FUND ST3

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
	(US \$)	(US \$)
Assets		
Investments at fair value	\$ 81,388	\$ 90,405
Prepaid expenses	-	1
	<u>81,388</u>	<u>90,406</u>
Liabilities		
bclMC funds management fees payable (note 6)	2	-
Custodial fees payable	3	3
Accounts payable	5	2
	<u>10</u>	<u>5</u>
Net assets representing unitholders' equity	<u>\$ 81,378</u>	<u>\$ 90,401</u>
Number of units outstanding (note 7)	39,674	46,397
Net asset value per unit	<u>\$ 2,051</u>	<u>\$ 1,948</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
	(US \$)	(US \$)
Investment Income	\$ 5,848	\$ 4,686
Expenses (note 6):		
bclMC funds management fees	47	51
Custodial fees	13	12
Administrative and professional fees	5	1
	<u>65</u>	<u>64</u>
Net investment income	5,783	4,622
Net realized loss	(1)	(7)
Change in unrealized gain	<u>2</u>	<u>1</u>
Net income from operations	5,784	4,616
Capital Transactions:		
Proceeds from units issued	1,323,500	1,846,468
Amounts paid for units redeemed	<u>(1,338,307)</u>	<u>(1,923,295)</u>
	<u>(14,807)</u>	<u>(76,827)</u>
Decrease in net assets	(9,023)	(72,211)
Net assets, beginning of year	<u>90,401</u>	<u>162,612</u>
Net Assets, end of year	<u>\$ 81,378</u>	<u>\$ 90,401</u>

See accompanying Notes to Financial Statements.

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

U.S. DOLLAR MONEY MARKET FUND ST3

Statement of Investments
as at March 31, 2007
(in thousands)

	<u>Total Cost</u> (US \$)	<u>Total Fair Value</u> (US \$)	<u>% of Fair Value</u> (US \$)
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada	\$ 29,987	\$ 29,987	36.8%
Obligations of, or guaranteed by, savings institutions	37,901	37,901	46.6%
Commercial paper issued by corporations incorporated under the laws of Canada or a province	<u>13,500</u>	<u>13,500</u>	<u>16.6%</u>
Total Investments	<u><u>\$ 81,388</u></u>	<u><u>\$ 81,388</u></u>	<u><u>100.0%</u></u>

All money market investments have a term to maturity within one year and their weighted average yield to maturity is 5.24%.

See accompanying Notes to Financial Statements.

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

INDEXED GOVERNMENT BOND FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 195,952	\$ 260,002
Receivable from sale of investments	18,089	52,023
Receivable from issue of units	-	340
Accrued investment income	2,153	3,104
	<u>216,194</u>	<u>315,469</u>
Liabilities		
bclMC funds management fees payable (note 6)	4	-
Payable for purchase of investments	16,982	56,256
Payable for redemption of units	2,080	-
Custodial fees payable	4	4
Accounts payable	5	2
	<u>19,075</u>	<u>56,262</u>
Net assets representing unitholders' equity	<u>\$ 197,119</u>	<u>\$ 259,207</u>
Number of units outstanding (note 7)	73.867	102.617
Net asset value per unit	<u>\$ 2,669</u>	<u>\$ 2,526</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 9,037	\$ 10,269
Expenses (note 6):		
bclMC funds management fees	84	66
Custodial fees	14	13
Administrative and professional fees	5	-
	<u>103</u>	<u>79</u>
Net investment income	8,934	10,190
Net realized gain	877	2,942
Change in unrealized gain (loss)	<u>665</u>	<u>(2,369)</u>
Net income from operations	10,476	10,763
Capital Transactions:		
Proceeds from units issued	18,069	51,431
Amounts paid for units redeemed	<u>(90,633)</u>	<u>(20,341)</u>
	<u>(72,564)</u>	<u>31,090</u>
Increase (decrease) in net assets	(62,088)	41,853
Net assets, beginning of year	<u>259,207</u>	<u>217,354</u>
Net Assets, end of year	<u>\$ 197,119</u>	<u>\$ 259,207</u>

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

INDEXED GOVERNMENT BOND FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	Cost	Fair Value				Total	% of Fair Value
		Term to Maturity					
		Within 1 Year	1-5 Years	Over 5 Years	No Specific Maturity		
Bonds							
Obligations of, or guaranteed by, Government of Canada	\$ 88,056	\$ 17,184	\$ 34,964	\$ 35,798	\$ -	\$ 87,946	44.9%
Obligations of, or guaranteed by, the Province of British Columbia	11,104	-	8,825	2,543	-	11,368	5.8%
Obligations of, or guaranteed by, provinces other than the Province of British Columbia	74,161	-	11,532	63,597	-	75,129	38.3%
Obligations of Canadian municipalities	10,469	-	-	10,577	-	10,577	5.4%
	<u>183,790</u>	<u>17,184</u>	<u>55,321</u>	<u>112,515</u>	<u>-</u>	<u>185,020</u>	<u>94.4%</u>
Money Market Investment							
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1	10,932	-	-	-	10,932	10,932	5.6%
Total Investments	<u>\$ 194,722</u>	<u>\$ 17,184</u>	<u>\$ 55,321</u>	<u>\$ 112,515</u>	<u>\$ 10,932</u>	<u>\$ 195,952</u>	<u>100.0%</u>
Weighted average yield to maturity on bonds		4.31%	4.14%	4.38%		4.30% ¹	

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

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

LONG TERM BOND FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 2,383,437	\$ 2,243,919
Accrued investment income	32,940	30,146
	<u>2,416,377</u>	<u>2,274,065</u>
Liabilities		
bclIMC funds management fees payable (note 6)	30	9
Custodial fees payable	9	12
Accounts payable	5	2
	<u>44</u>	<u>23</u>
Net assets representing unitholders' equity	<u>\$ 2,416,333</u>	<u>\$ 2,274,042</u>
Number of units outstanding (note 7)	1,340.927	1,340.927
Net asset value per unit	<u>\$ 1,802</u>	<u>\$ 1,696</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 107,388	\$ 102,678
Expenses (note 6):		
bclIMC funds management fees	471	430
Custodial fees	34	38
Administrative and professional fees	5	4
	<u>510</u>	<u>472</u>
Net investment income	106,878	102,206
Net realized gain	35,139	104,056
Change in unrealized gain (loss)	274	(154)
Net income from operations	142,291	206,108
Capital Transactions:		
Proceeds from units issued	5,635	26,886
Amounts paid for units redeemed	(5,635)	(26,886)
	<u>-</u>	<u>-</u>
Increase in net assets	142,291	206,108
Net assets, beginning of year	2,274,042	2,067,934
Net Assets, end of year	<u>\$ 2,416,333</u>	<u>\$ 2,274,042</u>

See accompanying Notes to Financial Statements.

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

LONG TERM BOND FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>		<u>Total</u>	<u>% of Fair Value</u>
		<u>Term to Maturity</u>			
		<u>Over 5 Years</u>	<u>No Specific Maturity</u>		
Bonds					
Obligations of, or guaranteed by, Government of Canada	\$ 942,504	\$ 974,169	\$ -	\$ 974,169	40.9%
Obligations of, or guaranteed by, the Province of British Columbia	88,965	93,397	-	93,397	3.9%
Obligations of, or guaranteed by, provinces other than the Province of British Columbia	1,107,322	1,198,279	-	1,198,279	50.3%
Debentures issued by corporations incorporated under the laws of Canada or a province	<u>25,079</u>	<u>25,159</u>	<u>-</u>	<u>25,159</u>	<u>1.0%</u>
	<u>2,163,870</u>	<u>2,291,004</u>	<u>-</u>	<u>2,291,004</u>	<u>96.1%</u>
Money Market Investment					
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST1	<u>92,433</u>	<u>-</u>	<u>92,433</u>	<u>92,433</u>	<u>3.9%</u>
Total Investments	<u>\$ 2,256,303</u>	<u>\$ 2,291,004</u>	<u>\$ 92,433</u>	<u>\$ 2,383,437</u>	<u>100.0%</u>
<hr/>					
Weighted average yield to maturity on bonds		4.43%		4.43% ¹	

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

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

BRITISH COLUMBIA FOCUS FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 3,079	\$ 5,528
Accrued investment income	8	-
	<u>3,087</u>	<u>5,528</u>
Liabilities		
bclMC funds management fees payable (note 6)	1	-
Accounts payable	7	3
	<u>8</u>	<u>3</u>
Net assets representing unitholders' equity	<u>\$ 3,079</u>	<u>\$ 5,525</u>
Number of units outstanding (note 7)	1.639	2.634
Net asset value per unit	<u>\$ 1,879</u>	<u>\$ 2,098</u>

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 39	\$ 14
Expenses (note 6):		
bclMC funds management fees	15	13
Administrative and professional fees	7	3
	<u>22</u>	<u>16</u>
Net investment income	17	(2)
Net realized gain	38	2
Change in unrealized gain (loss)	<u>(437)</u>	<u>162</u>
Net income (loss) from operations	(382)	162
Capital Transactions:		
Amounts paid for units redeemed	<u>(2,064)</u>	-
Increase (decrease) in net assets	(2,446)	162
Net assets, beginning of year	<u>5,525</u>	<u>5,363</u>
Net Assets, end of year	<u>\$ 3,079</u>	<u>\$ 5,525</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

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

BRITISH COLUMBIA FOCUS FUND

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

	<u>2007</u>	<u>2006</u>
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income (loss) from operations	\$ (382)	\$ 162
Items not affecting cash:		
Net realized gain	(38)	(2)
Change in unrealized loss (gain)	437	(162)
	<u>17</u>	<u>(2)</u>
Changes in non-cash operating accounts:		
Accrued income	(8)	-
bclMC funds management fees payable	1	(3)
Accounts payable	4	(7)
	<u>14</u>	<u>(12)</u>
Cash flows from investing activities		
Proceeds from investments	4,045	629
Purchase of investments	(1,995)	(617)
	<u>2,050</u>	<u>12</u>
Cash flows from financing activities		
Amounts paid for units redeemed	(2,064)	-
Increase in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	\$ -	\$ -

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
Private Equity Investments			
Units in Canadian Limited Partnerships	\$ 2,199	\$ 2,192	71.2%
Common Shares in Canadian Corporations	43	181	5.9%
	<u>2,242</u>	<u>2,373</u>	<u>77.1%</u>
Money Market Investments			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolios			
Fund ST1	680	680	22.1%
Fund ST2	26	26	0.8%
	<u>706</u>	<u>706</u>	<u>22.9%</u>
Total Investments	\$ 2,948	\$ 3,079	100.0%

See accompanying Notes to Financial Statements.

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

INDEXED CANADIAN EQUITY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 5,988,904	\$ 7,721,484
Cash	1,498	-
Receivable from sale of investments	10,933	21,478
Receivable from issue of units	2,000	200
Accrued investment income	10,678	13,894
	<u>6,014,013</u>	<u>7,757,056</u>
Liabilities		
Payable for variation on futures contracts (Schedule One)	441	1,469
bclMC funds management fees payable (note 6)	110	102
Payable for purchase of investments	6,909	9,091
Payable for redemption of units	8,300	108,000
Custodial fees payable	31	47
Accounts payable	5	2
	<u>15,796</u>	<u>118,711</u>
Net assets representing unitholders' equity	<u>\$ 5,998,217</u>	<u>\$ 7,638,345</u>
Number of units outstanding (note 7)	1,214.349	1,770.493
Net asset value per unit	<u>\$ 4,939</u>	<u>\$ 4,314</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 107,079	\$ 176,946
Expenses (note 6):		
bclMC funds management fees	1,527	1,900
Custodial fees	136	183
Administrative and professional fees	16	25
	<u>1,679</u>	<u>2,108</u>
Net investment income	105,400	174,838
Net realized gain	1,199,687 ¹	1,217,173 ¹
Change in unrealized gain (loss)	<u>(600,278)¹</u>	<u>564,342¹</u>
Net income from operations	704,809	1,956,353
Capital Transactions:		
Proceeds from units issued	359,852	6,755,861
Amounts paid for units redeemed	<u>(2,704,789)</u>	<u>(9,384,490)</u>
	<u>(2,344,937)</u>	<u>(2,628,629)</u>
Decrease in net assets	(1,640,128)	(672,276)
Net assets, beginning of year	7,638,345	8,310,621
Net Assets, end of year	<u>\$ 5,998,217</u>	<u>\$ 7,638,345</u>

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

\$	6	\$	-
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

INDEXED CANADIAN EQUITY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
Canadian Public Equity Investments			
Common and Preferred Shares:			
Consumer Discretionary	\$ 217,499	\$ 302,951	5.1%
Consumer Staple	131,363	172,518	2.9%
Energy	627,516	1,395,566	23.3%
Financial Services	960,617	2,012,675	33.6%
Health Care	60,967	44,050	0.7%
Industrial Products	216,280	334,846	5.6%
Information Technology	430,523	227,955	3.8%
Materials and Processing	685,079	1,035,363	17.3%
Telecommunication Services	202,895	324,338	5.4%
Utilities	50,157	72,325	1.2%
	<u>3,582,896</u>	<u>5,922,587</u>	<u>98.9%</u>
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada (Schedule Two)	5,978	5,978	0.1%
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST1	60,339	60,339	1.0%
	<u>66,317</u>	<u>66,317</u>	<u>1.1%</u>
Total Investments	<u>\$ 3,649,213</u>	<u>\$ 5,988,904</u>	<u>100.0%</u>

**Schedule One - Payable for Variation on Futures Contracts
as at March 31, 2007**

Type of Contract	No of Contracts	Expiry Date	Notional Value (\$ 000)	(Payable) (\$ 000)
S&P Canada 60 Equity Index Futures	416	June 15, 2007	\$62,916	(\$441)

\$6.0 million Government of Canada T-Bills, maturing in May 2007, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Two - Terms and Weighted Average Yields for Money Market Investments
as at March 31, 2007**

	Fair Value (\$ 000)	Term to Maturity	Weighted Average Yield to Maturity
Obligations of, or guaranteed by, Government of Canada	\$5,978	Within 1 year	4.12%

See accompanying Notes to Financial Statements.

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

ACTIVE CANADIAN EQUITY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 4,646,522	\$ 5,778,250
Cash	2,289	570
Receivable from sale of investments	344,583	23,673
Accrued investment income	6,916	8,366
	<u>5,000,310</u>	<u>5,810,859</u>
Liabilities		
bclMC funds management fees payable (note 6)	71	69
Payable for purchase of investments	11,279	25,233
Payable for redemption of units	400,000	-
External management fees payable	2,381	2,744
Custodial fees payable	35	42
Accounts payable	5	2
	<u>413,771</u>	<u>28,090</u>
Net assets representing unitholders' equity	<u>\$ 4,586,539</u>	<u>\$ 5,782,769</u>
Number of units outstanding (note 7)	671,282	943,794
Net asset value per unit	<u>\$ 6,833</u>	<u>\$ 6,127</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 86,266	\$ 86,538
Expenses (note 6):		
bclMC funds management fees	976	1,121
External management fees	9,445	10,827
Custodial fees	142	164
Administrative and professional fees	14	13
	<u>10,577</u>	<u>12,125</u>
Net investment income	75,689	74,413
Net realized gain	839,019 ¹	592,403 ¹
Change in unrealized gain (loss)	<u>(418,938)¹</u>	<u>533,264¹</u>
Net income from operations	495,770	1,200,080
Capital Transactions:		
Proceeds from units issued	132,986	66,052
Amounts paid for units redeemed	<u>(1,824,986)</u>	<u>(803,502)</u>
	<u>(1,692,000)</u>	<u>(737,450)</u>
Increase (decrease) in net assets	(1,196,230)	462,630
Net assets, beginning of year	<u>5,782,769</u>	<u>5,320,139</u>
Net Assets, end of year	<u>\$ 4,586,539</u>	<u>\$ 5,782,769</u>

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

\$	(281)	\$	(1,053)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

ACTIVE CANADIAN EQUITY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
Canadian Public Equity Investments			
Common and Preferred Shares:			
Consumer Discretionary	\$ 324,076	\$ 428,969	9.2%
Consumer Staple	203,815	264,342	5.7%
Energy	573,825	992,166	21.4%
Financial Services	663,312	1,290,268	27.8%
Health Care	53,426	50,985	1.1%
Industrial Products	252,487	409,747	8.8%
Information Technology	236,015	260,776	5.6%
Materials and Processing	293,275	402,831	8.7%
Telecommunication Services	130,719	218,244	4.7%
Utilities	18,102	27,058	0.6%
	<u>2,749,052</u>	<u>4,345,386</u>	<u>93.6%</u>
Mutual Funds	108,169	134,573	2.9%
	<u>2,857,221</u>	<u>4,479,959</u>	<u>96.5%</u>
Canadian Private Equity Investments			
Common Shares	911	162	0.0%
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada, or savings institutions (Schedule One)	112,773	112,772	2.4%
Debentures issued by corporations incorporated under the laws of Canada or a province (Schedule One)	51,988	51,987	1.1%
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST1	1,642	1,642	0.0%
	<u>166,403</u>	<u>166,401</u>	<u>3.5%</u>
Total Investments	<u>\$ 3,024,535</u>	<u>\$ 4,646,522</u>	<u>100.0%</u>

**Schedule One - Terms and Weighted Average Yields for Money Market Investments
as at March 31, 2007**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligation of, or guaranteed by, Government of Canada, or savings institutions	\$112,772	Within 1 year	4.24%
Debentures issued by corporations incorporated under the laws of Canada or a province	\$51,987	Within 1 year	4.30%

See accompanying Notes to Financial Statements.

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

ENHANCED CANADIAN EQUITY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 1,551,347	\$ 1,320,965
Cash	2,887	893
Receivable from sale of investments	10,607	785
Receivable from issue of units	-	20,000
Accrued investment income	3,153	2,271
	<u>1,567,994</u>	<u>1,344,914</u>
Liabilities		
Payable for variation on futures contracts (Schedule One)	164	211
bciMC funds management fees payable (note 6)	33	19
Payable for purchase of investments	13,061	855
External management fees payable	457	338
Custodial fees payable	25	20
Accounts payable	5	2
	<u>13,745</u>	<u>1,445</u>
Net assets representing unitholders' equity	<u>\$ 1,554,249</u>	<u>\$ 1,343,469</u>
Number of units outstanding (note 7)	677.123	661.705
Net asset value per unit	<u>\$ 2,295</u>	<u>\$ 2,030</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 29,665	\$ 16,334
Expenses (note 6):		
bciMC funds management fees	429	259
External management fees	1,551	799
Custodial fees	93	71
Administrative and professional fees	21	5
	<u>2,094</u>	<u>1,134</u>
Net investment income	27,571	15,200
Net realized gain	99,359	36,970
Change in unrealized gain	<u>53,320</u>	<u>122,395</u>
Net income from operations	180,250	174,565
Capital Transactions:		
Proceeds from units issued	154,032	923,286
Amounts paid for units redeemed	<u>(123,502)</u>	<u>(17,981)</u>
	<u>30,530</u>	<u>905,305</u>
Increase in net assets	210,780	1,079,870
Net assets, beginning of year	<u>1,343,469</u>	<u>263,599</u>
Net Assets, end of year	<u>\$ 1,554,249</u>	<u>\$ 1,343,469</u>

See accompanying Notes to Financial Statements.

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

ENHANCED CANADIAN EQUITY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
Canadian Public Equity Investments			
Common and Preferred Shares:			
Consumer Discretionary	\$ 66,170	\$ 76,638	4.9%
Consumer Staple	41,479	43,111	2.8%
Energy	297,186	333,343	21.5%
Financial Services	443,369	529,194	34.2%
Health Care	16,905	16,243	1.0%
Industrial Products	64,200	77,458	5.0%
Information Technology	51,662	61,810	4.0%
Materials and Processing	229,174	274,214	17.7%
Telecommunication Services	79,228	93,095	6.0%
Utilities	17,247	18,984	1.2%
	<u>1,306,620</u>	<u>1,524,090</u>	<u>98.3%</u>
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada, or savings institutions (Schedule Two)			
	1,843	1,843	0.1%
Obligations issued by corporations incorporated under the laws of Canada or a province (Schedule Two)			
	1,980	1,980	0.1%
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST1	23,435	23,434	1.5%
	<u>27,258</u>	<u>27,257</u>	<u>1.7%</u>
Total Investments	<u>\$ 1,333,878</u>	<u>\$ 1,551,347</u>	<u>100.0%</u>

**Schedule One - Payable for Variation on Futures Contracts
as at March 31, 2007**

Type of Contract	No of Contracts	Expiry Date	Notional Value (\$ 000)	Receivable (Payable) (\$ 000)
S&P Canada 60 Equity Index Futures	155	June 15, 2007	\$23,442	(\$164)

\$2.0 million Government of Canada T-Bills, maturing in June 2007, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Two - Terms and Weighted Average Yields for Money Market Investments
as at March 31, 2007**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligations of, or guaranteed by, Government of Canada, or savings institutions	\$1,843	Within 1 year	4.29%
Obligations issued by corporations incorporated under the laws of Canada or a province	\$1,980	Within 1 year	4.16%

See accompanying Notes to Financial Statements.

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

ACTIVE U.S. EQUITY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 2,848,957	\$ 2,643,681
Cash	69,599	54,549
Receivable from sale of investments	19,600	18,956
Receivable from issue of units	-	54,000
Accrued investment income	2,872	2,682
Withholding taxes receivable	186	110
	<u>2,941,214</u>	<u>2,773,978</u>
Liabilities		
bciMC funds management fees payable (note 6)	47	33
Payable for purchase of investments	23,156	67,736
External management fees payable	3,051	2,828
Custodial fees payable	60	64
Accounts payable	5	2
	<u>26,319</u>	<u>70,663</u>
Net assets representing unitholders' equity	<u>\$ 2,914,895</u>	<u>\$ 2,703,315</u>
Number of units outstanding (note 7)	641,552	641,552
Net asset value per unit	<u>\$ 4,544</u>	<u>\$ 4,214</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 69,378	\$ 45,548
Expenses (note 6):		
bciMC funds management fees	581	531
External management fees	11,656	10,581
Custodial fees	258	257
Administrative and professional fees	6	-
	<u>12,501</u>	<u>11,369</u>
Net investment income	56,877	34,179
Net realized gain	49,891 ¹	106,855 ¹
Change in unrealized gain	104,812 ¹	125,146 ¹
Net income from operations	211,580	266,180
Capital Transactions:		
Proceeds from units issued	128,030	231,463
Amounts paid for units redeemed	(128,030)	(37,463)
	<u>-</u>	<u>194,000</u>
Increase in net assets	211,580	460,180
Net assets, beginning of year	2,703,315	2,243,135
Net Assets, end of year	<u>\$ 2,914,895</u>	<u>\$ 2,703,315</u>

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

\$ (30,039)	\$ 102,682
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

ACTIVE U.S. EQUITY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
U.S. Public Equity Investments			
Common and Preferred Shares:			
Consumer Discretionary	\$ 353,301	\$ 410,463	14.4%
Consumer Staple	219,384	247,212	8.7%
Energy	210,257	257,152	9.0%
Financial Services	447,414	484,861	17.0%
Health Care	330,911	351,092	12.3%
Industrial Products	265,069	297,519	10.4%
Information Technology	540,433	569,671	20.1%
Materials and Processing	78,339	92,912	3.3%
Telecommunication Services	63,445	67,632	2.4%
Utilities	46,324	63,908	2.2%
	<u>2,554,877</u>	<u>2,842,422</u>	<u>99.8%</u>
Money Market Investments			
Obligations issued by corporations incorporated under the laws of Canada or a province (Schedule One)			
	6,350	6,272	0.2%
Units in British Columbia Investment Management Corporation Pooled Investment Portfolios			
Fund ST1	29	29	0.0%
Fund ST3	261	234	0.0%
	<u>6,640</u>	<u>6,535</u>	<u>0.2%</u>
Total Investments	<u>\$ 2,561,517</u>	<u>\$ 2,848,957</u>	<u>100.0%</u>

**Schedule One - Terms and Weighted Average Yields for Money Market Investments
as at March 31, 2007**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligations issued by corporations incorporated under the laws of Canada or a province	\$6,272	Within 1 year	5.16%

See accompanying Notes to Financial Statements.

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

S & P 500 INDEX EQUITY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 5,486,072	\$ 5,541,932
Receivable from sale of investments	1,886	36,289
Receivable from issue of units	400,060	10,100
Accrued investment income	6,432	6,439
Withholding taxes receivable	35	46
	<u>5,894,485</u>	<u>5,594,806</u>
Liabilities		
Unrealized loss on foreign currency contracts (Schedule One)	489	-
Payable for variation on futures contracts (Schedule Two)	4	115
bclMC funds management fees payable (note 6)	82	67
Payable for purchase of investments	204,725	42,318
Payable for redemption of units	200,060	100
Custodial fees payable	37	31
Accounts payable	5	2
	<u>405,402</u>	<u>42,633</u>
Net assets representing unitholders' equity	<u>\$ 5,489,083</u>	<u>\$ 5,552,173</u>
Number of units outstanding (note 7)	1,299.198	1,451.697
Net asset value per unit	<u>\$ 4,225</u>	<u>\$ 3,825</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 138,080	\$ 90,936
Expenses (note 6):		
bclMC funds management fees	1,104	864
Custodial fees	186	172
Administrative and professional fees	7	1
	<u>1,297</u>	<u>1,037</u>
Net investment income	136,783	89,899
Net realized gain (loss)	61,193 ¹	(5,565) ¹
Change in unrealized gain	345,254 ¹	190,436 ¹
Net income from operations	543,230	274,770
Capital Transactions:		
Proceeds from units issued	688,829	5,410,553
Amounts paid for units redeemed	(1,295,149)	(2,110,629)
	<u>(606,320)</u>	<u>3,299,924</u>
Increase (decrease) in net assets	(63,090)	3,574,694
Net assets, beginning of year	5,552,173	1,977,479
Net Assets, end of year	<u>\$ 5,489,083</u>	<u>\$ 5,552,173</u>

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

\$ (107,306)	\$ (167,913)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

S & P 500 INDEX EQUITY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
U.S. Public Equity Investments			
Common and Preferred Shares:			
Consumer Discretionary	\$ 533,738	\$ 573,641	10.5%
Consumer Staple	460,163	526,611	9.6%
Energy	416,756	551,828	10.1%
Financial Services	1,014,658	1,182,944	21.5%
Health Care	624,300	650,543	11.9%
Industrial Products	514,808	596,801	10.9%
Information Technology	817,488	812,733	14.8%
Materials and Processing	134,627	168,338	3.1%
Telecommunication Services	195,144	203,816	3.7%
Utilities	171,756	203,972	3.7%
	<u>4,883,438</u>	<u>5,471,227</u>	<u>99.8%</u>
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada, or savings institutions (Schedule Three)			
	1,746	1,713	0.0%
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST3	13,257	13,132	0.2%
	15,003	14,845	0.2%
Total Investments	<u>\$ 4,898,441</u>	<u>\$ 5,486,072</u>	<u>100.0%</u>

**Schedule One - Unrealized Loss on Foreign Currency Contracts
as at March 31, 2007**

No of Contracts	Expiry Dates	Notional Value (\$ 000)	Unrealized Gain (Loss) (\$ 000)
6	April 4, 2007	\$200,000	(\$489)

**Schedule Two - Payable for Variation on Futures Contracts
as at March 31, 2007**

No of Contracts	Type of Contracts	Expiry Date	Notional Value (\$ 000)	Payable (\$ 000)
40	S&P 500 Equity Index	June 15, 2007	\$16,500	(\$4)

\$1.7 million Government of Canada T-Bills, maturing in June 2007, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Three - Terms and Weighted Average Yields for Money Market Investments
as at March 31, 2007**

	Fair Value (\$ 000)	Term to Maturity	Weighted Average Yield to Maturity
Obligations of, or guaranteed by, Government of Canada, or savings institutions	\$1,713	Within 1 year	4.99%

See accompanying Notes to Financial Statements.

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

ENHANCED INDEXED U.S. EQUITY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 1,124,580	\$ 585,615
Receivable from sale of investments	132,901	76,243
Accrued investment income	<u>1,273</u>	<u>698</u>
	<u>1,258,754</u>	<u>662,556</u>
Liabilities		
Payable for variation on futures contracts (Schedule One)	2	-
bclMC funds management fees payable (note 6)	30	13
Payable for purchase of investments	133,393	76,592
Custodial fees payable	18	16
Accounts payable	<u>5</u>	<u>2</u>
	<u>133,448</u>	<u>76,623</u>
Net assets representing unitholders' equity	<u>\$ 1,125,306</u>	<u>\$ 585,933</u>
Number of units outstanding (note 7)	601.705	344.105
Net asset value per unit	<u>\$ 1,870</u>	<u>\$ 1,703</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 21,784	\$ 6,178
Expenses (note 6):		
bclMC funds management fees	395	215
Custodial fees	89	74
Administrative and professional fees	<u>8</u>	<u>2</u>
	<u>492</u>	<u>291</u>
Net investment income	21,292	5,887
Net realized gain	62,135 ¹	8,420 ¹
Change in unrealized gain	<u>50,326¹</u>	<u>15,583¹</u>
Net income from operations	133,753	29,890
Capital Transactions:		
Proceeds from units issued	413,721	397,565
Amounts paid for units redeemed	<u>(8,101)</u>	<u>(18,800)</u>
	<u>405,620</u>	<u>378,765</u>
Increase in net assets	539,373	408,655
Net assets, beginning of year	<u>585,933</u>	<u>177,278</u>
Net Assets, end of year	<u>\$ 1,125,306</u>	<u>\$ 585,933</u>

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

\$ 11,610	\$ (6,365)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

ENHANCED INDEXED U.S. EQUITY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
U.S. Public Equity Investments			
Common and Preferred Shares:			
Consumer Discretionary	\$ 109,228	\$ 116,347	10.3%
Consumer Staple	96,316	106,303	9.6%
Energy	95,779	112,906	10.0%
Financial Services	226,746	239,547	21.3%
Health Care	132,731	131,948	11.7%
Industrial Products	116,128	119,748	10.6%
Information Technology	164,216	164,970	14.7%
Materials and Processing	32,221	34,361	3.1%
Telecommunication Services	33,741	41,311	3.7%
Utilities	38,090	41,241	3.7%
	<u>1,045,196</u>	<u>1,108,682</u>	<u>98.7%</u>
Exchange Traded Funds	7,850	8,342	0.7%
	<u>1,053,046</u>	<u>1,117,024</u>	<u>99.4%</u>
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada, or savings institutions (Schedule Two)	582	571	0.1%
Units in British Columbia Investment Management Corporation Pooled Investment Portfolios			
Fund ST1	139	139	0.0%
Fund ST3	6,934	6,846	0.6%
	<u>7,655</u>	<u>7,556</u>	<u>0.7%</u>
Total Investments	<u>\$ 1,060,701</u>	<u>\$ 1,124,580</u>	<u>100.1%</u>

**Schedule One - Payable for Variation on Futures Contracts
as at March 31, 2007**

<u>No of Contracts</u>	<u>Type of Contracts</u>	<u>Expiry Date</u>	<u>Notional Value (\$ 000)</u>	<u>Payable (\$ 000)</u>
18	S&P 500 Equity Index	June 11, 2007	\$7,425	(\$2)

\$0.6 million Government of Canada T-Bills, maturing in June 2007, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Two - Terms and Weighted Average Yields for Money Market Investments
as at March 31, 2007**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligations of, or guaranteed by, Government of Canada, or savings institutions	\$571	Within 1 year	4.99%

See accompanying Notes to Financial Statements.

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

U.S. VALUE INDEX EQUITY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 1,240,825	\$ 1,083,180
Receivable from issue of units	1,980	5,858
Accrued investment income	1,890	1,502
Withholding taxes receivable	28	28
	<u>1,244,723</u>	<u>1,090,568</u>
Liabilities		
Payable for variation on futures contracts (Schedule One)	4	10
bciMC funds management fees payable (note 6)	26	17
Payable for purchase of investments	5,860	6,006
Custodial fees payable	7	10
Accounts payable	5	2
	<u>5,902</u>	<u>6,045</u>
Net assets representing unitholders' equity	<u><u>\$ 1,238,821</u></u>	<u><u>\$ 1,084,523</u></u>
Number of units outstanding (note 7)	673.734	673.734
Net asset value per unit	<u><u>\$ 1,839</u></u>	<u><u>\$ 1,610</u></u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 32,852	\$ 24,582
Expenses (note 6):		
bciMC funds management fees	332	304
Custodial fees	51	46
Administrative and professional fees	5	3
	<u>388</u>	<u>353</u>
Net investment income	32,464	24,229
Net realized gain	33,037	2,926
Change in unrealized gain	<u>88,797</u>	<u>78,633</u>
Net income from operations	154,298	105,788
Capital Transactions:		
Proceeds from units issued	4,903	101,599
Amounts paid for units redeemed	<u>(4,903)</u>	<u>(106,473)</u>
	<u>-</u>	<u>(4,874)</u>
Increase in net assets	154,298	100,914
Net assets, beginning of year	<u>1,084,523</u>	<u>983,609</u>
Net Assets, end of year	<u><u>\$ 1,238,821</u></u>	<u><u>\$ 1,084,523</u></u>

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

\$	(33,545)	\$	(58,456)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

U.S. VALUE INDEX EQUITY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
U.S. Public Equity Investments			
Common and Preferred Shares:			
Consumer Discretionary	\$ 126,232	\$ 116,425	9.4%
Consumer Staple	62,651	67,635	5.4%
Energy	63,279	79,302	6.4%
Financial Services	368,919	399,039	32.1%
Health Care	75,086	86,238	7.0%
Industrial Products	140,419	148,162	11.9%
Information Technology	136,888	118,561	9.6%
Materials and Processing	46,982	52,915	4.3%
Telecommunication Services	106,121	88,699	7.1%
Utilities	68,784	76,809	6.2%
	<u>1,195,361</u>	<u>1,233,785</u>	<u>99.4%</u>
Exchange Traded Funds	1,506	1,665	0.1%
	<u>1,196,867</u>	<u>1,235,450</u>	<u>99.5%</u>
Money Market Investments			
Obligations of, or guaranteed by, Government of Canada (Schedule Two)	814	799	0.1%
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST3	4,641	4,576	0.4%
	<u>5,455</u>	<u>5,375</u>	<u>0.5%</u>
Total Investments	<u>\$ 1,202,322</u>	<u>\$ 1,240,825</u>	<u>100.0%</u>

**Schedule One - Payable for Variation on Futures Contracts
as at March 31, 2007**

<u>No of Contracts</u>	<u>Type of Contracts</u>	<u>Expiry Date</u>	<u>Notional Value (\$ 000)</u>	<u>Payable (\$ 000)</u>
7	S&P/Barra Value Index	June 15, 2007	\$2,888	(\$4)

\$0.8 million Government of Canada T-Bills, maturing in June 2007, are held on margin for the equity index futures contracts. See note 5 for additional information on derivatives.

**Schedule Two - Terms and Weighted Average Yields for Money Market Investments
as at March 31, 2007**

	<u>Fair Value (\$ 000)</u>	<u>Term to Maturity</u>	<u>Weighted Average Yield to Maturity</u>
Obligations of, or guaranteed by, Government of Canada, or savings institutions	\$799	Within 1 year	4.99%

See accompanying Notes to Financial Statements.

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

U.S. SOCIAL INDEX EQUITY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u> (note 1)
Assets	
Investments at fair value	\$ 513,827
Receivable from sale of investments	135
Receivable from issue of units	200,000
Accrued investment income	<u>289</u>
	<u>714,251</u>
Liabilities	
Unrealized loss on foreign currency contracts (Schedule One)	489
bcIMC funds management fees payable (note 6)	11
Payable for purchase of investments	199,034
Custodial fees payable	7
Accounts payable	<u>28</u>
	<u>199,569</u>
Net assets representing unitholders' equity	<u>\$ 514,682</u>
Number of units outstanding (note 7)	490.668
Net asset value per unit	<u>\$ 1,049</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the five months ended March 31

(in thousands)

	<u>2007</u> (note 1)
Investment Income	<u>\$ 2,852</u>
Expenses (note 6):	
bcIMC funds management fees	45
Custodial fees	15
Administrative and professional fees	<u>44</u>
	<u>104</u>
Net investment income	2,748
Net realized gain	331 ¹
Change in unrealized gain	<u>11,603 ¹</u>
Net income from operations	14,682
Capital Transactions:	
Proceeds from units issued	500,867
Amounts paid for units redeemed	<u>(867)</u>
	<u>500,000</u>
Increase in net assets	514,682
Net assets, beginning of year	<u>-</u>
Net Assets, end of year	<u>\$ 514,682</u>

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

\$ 7,635

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

U.S. SOCIAL INDEX EQUITY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
U.S. Public Equity Investments			
Common and Preferred Shares:			
Consumer Discretionary	\$ 63,669	\$ 65,116	12.7%
Consumer Staple	62,356	64,437	12.5%
Energy	14,998	16,138	3.1%
Financial Services	112,502	113,581	22.1%
Health Care	68,162	68,415	13.3%
Industrial Products	34,024	34,581	6.7%
Information Technology	98,704	100,988	19.7%
Materials and Processing	9,234	9,823	1.9%
Telecommunication Services	31,901	34,236	6.7%
Utilities	5,160	5,487	1.1%
	<u>500,710</u>	<u>512,802</u>	<u>99.8%</u>
Exchange Traded Funds	263	269	0.1%
	<u>500,973</u>	<u>513,071</u>	<u>99.9%</u>
Money Market Investment			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST3	762	756	0.1%
Total Investments	<u>\$ 501,735</u>	<u>\$ 513,827</u>	<u>100.0%</u>

**Schedule One - Unrealized Loss on Foreign Currency Contracts
as at March 31, 2007**

<u>No of Contracts</u>	<u>Expiry Dates</u>	<u>Notional Value (\$ 000)</u>	<u>Unrealized Loss (\$ 000)</u>
6	April 4, 2007	\$200,000	(\$489)

See accompanying Notes to Financial Statements.

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

CURRENCY OVERLAY FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 133,004	\$ 120,846
Prepaid expenses	-	2
	<u>133,004</u>	<u>120,848</u>
Liabilities		
Unrealized loss on foreign currency contracts (Schedule One)	527	9,437
bclMC funds management fees payable (note 6)	2	-
External management fees payable	1,134	1,212
Custodial fees payable	24	21
Accounts payable	14	5
	<u>1,701</u>	<u>10,675</u>
Net assets representing unitholders' equity	<u>\$ 131,303</u>	<u>\$ 110,173</u>
Number of units outstanding (note 7)	34.884	34.884
Net asset value per unit	<u>\$ 3,764</u>	<u>\$ 3,158</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 5,078	\$ 3,003
Expenses (note 6):		
bclMC funds management fees	83	99
External management fees	4,038	3,127
Custodial fees	115	92
Administrative and professional fees	14	14
	<u>4,250</u>	<u>3,332</u>
Net investment income (loss)	828	(329)
Net realized gain (loss)	11,392 ¹	(7,254) ¹
Change in unrealized gain (loss)	8,910 ¹	(2,342) ¹
Net income (loss) from operations	21,130	(9,925)
Capital Transactions:		
Proceeds from units issued	296	38,236
Amounts paid for units redeemed	(296)	-
	<u>-</u>	<u>38,236</u>
Increase in net assets	21,130	28,311
Net assets, beginning of year	<u>110,173</u>	<u>81,862</u>
Net Assets, end of year	<u>\$ 131,303</u>	<u>\$ 110,173</u>

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

\$ 20,302	\$ (9,596)
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

CURRENCY OVERLAY FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
Money Market Investments			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio Fund ST2	\$ 133,004	\$ 133,004	100.0%

**Schedule One - Unrealized Loss on Foreign Currency Contracts
as at March 31, 2007**

<u>No of Contracts</u>	<u>Expiry Dates</u>	<u>Notional Value (\$ 000)</u>	<u>Unrealized Gain (Loss) (\$ 000)</u>
24	May 15, 2007	\$ 806,330	\$ 682
17	June 14, 2007	426,852	(2,250)
366	June 20, 2007	335,215	1,041
<u>407</u>		<u>\$ 1,568,397</u>	<u>\$ (527)</u>

See accompanying Notes to Financial Statements.

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

U.S. CURRENCY HEDGING FUND

Statement of Net Assets

as at March 31

(in thousands except number of units outstanding)

	<u>2007</u>	<u>2006</u>
Assets		
Investments at fair value	\$ 373,448	\$ 372,151
Unrealized gain on foreign currency contracts (Schedule One)	95,115	-
Prepaid expenses	-	2
	<u>468,563</u>	<u>372,153</u>
Liabilities		
Unrealized loss on foreign currency contracts (Schedule One)	-	34,457
bcIMC funds management fees payable (note 6)	9	-
Accounts payable	15	6
	<u>24</u>	<u>34,463</u>
Net assets representing unitholders' equity	<u>\$ 468,539</u>	<u>\$ 337,690</u>
Number of units outstanding (note 7)	134,788	104,910
Net asset value per unit	<u>\$ 3,476</u>	<u>\$ 3,219</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

Statement of Operations and Changes in Net Assets

for the years ended March 31

(in thousands)

	<u>2007</u>	<u>2006</u>
Investment Income	\$ 14,440	\$ 5,051
Expenses (note 6):		
bcIMC funds management fees	298	138
Custodial fees	16	4
Administrative and professional fees	15	26
	<u>329</u>	<u>168</u>
Net investment income	14,111	4,883
Net realized gain (loss)	(152,739) ¹	154,112 ¹
Change in unrealized gain (loss)	150,657 ¹	(39,348) ¹
Net income from operations	12,029	119,647
Capital Transactions:		
Proceeds from units issued	120,276	198,917
Amounts paid for units redeemed	(1,456)	(38,425)
	<u>118,820</u>	<u>160,492</u>
Increase in net assets	130,849	280,139
Net assets, beginning of year	<u>337,690</u>	<u>57,551</u>
Net Assets, end of year	<u>\$ 468,539</u>	<u>\$ 337,690</u>

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

\$ (40,233)	\$ 107,286
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**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS**

U.S. CURRENCY HEDGING FUND

**Statement of Investments
as at March 31, 2007
(in thousands)**

	<u>Cost</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
U.S. Public Equity Investment			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
S&P 500 Index Equity Fund	\$ 326,880	\$ 355,603	95.2%
Money Market Investment			
Units in British Columbia Investment Management Corporation Pooled Investment Portfolio			
Fund ST3	17,846	17,845	4.8%
Total Investments	<u>\$ 344,726</u>	<u>\$ 373,448</u>	<u>100.0%</u>

**Schedule One - Unrealized Loss on Foreign Currency Contracts
as at March 31, 2007**

<u>No of Contracts</u>	<u>Expiry Dates</u>	<u>Notional Value (\$ 000)</u>	<u>Unrealized Gain (\$ 000)</u>
36	April 2007	\$ 2,753,019	\$ 48,345
21	May 2007	1,756,500	28,529
15	July 2006	1,138,142	18,241
<u>72</u>		<u>\$ 5,647,661</u>	<u>\$ 95,115</u>

See accompanying Notes to Financial Statements.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
 POOLED INVESTMENT PORTFOLIOS
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2007**

1. The Portfolios

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

Under the *Public Sector Pension Plans Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, bcIMC may establish and operate pooled investment portfolios "... in which money from trust funds, special funds or other funds, other public money and the money of government bodies and designated institutions may be combined in common for the purpose of investment by means of investment units of participation in a pooled investment portfolio." In addition, pooled investment portfolios previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99, to be held in trust by bcIMC and invested by the Chief Investment Officer of bcIMC.

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

Portfolio Fun	Investment Mandate	Date Established
Canadian Money Market Fund ST1	Canadian money market investments maturing within one month	April 21, 1986
Canadian Money Market Fund ST2	Canadian money market investments maturing within 15 months	September 19, 1986
U.S. Dollar Money Market Fund ST3	U.S. money market investments maturing within one month	August 1, 1990
Indexed Government Bond Fund	Canadian federal and provincial government bonds with varying maturity dates	September 1, 1993
Long Term Bond Fund	Canadian federal and provincial government bonds with longer maturity dates	February 1, 1999
British Columbia Focus Fund	Private debt and equity investments in Canadian companies situated in British Columbia	March 31, 1994
Indexed Canadian Equity Fund	Securities comprising the top 180 – 190 stocks in the S&P/TSX Composite Index	December 12, 1989
Active Canadian Equity Fund	Diversified portfolio of publicly traded Canadian securities	July 26, 1990
Enhanced Canadian Equity Fund	Diversified portfolio of publicly traded Canadian securities	November 27, 2002
Active U.S. Equity Fund	Diversified portfolio of publicly traded U.S. securities	October 20, 1993
S & P 500 Index Equity Fund	Securities comprising the Standard and Poor's 500 Composite Index	February 6, 1995
Enhanced Indexed U.S. Equity Fund	Diversified portfolio of publicly traded U.S. securities	September 1, 1998
U.S. Value Index Equity Fund	Securities comprising the Standard and Poor's 500/Citigroup Value Index	October 13, 2000
U.S. Social Index Equity Fund	Securities comprising the Domini 400 Social Index	October 31, 2006
Currency Overlay Fund	Spot market, forward contracts, futures, and/or options to achieve desired currency exposure	October 8, 2002
U.S. Currency Hedging Fund	Spot market, forward contracts, and/or futures to protect clients' foreign investments from impact of appreciating Canadian dollar	June 23, 2003

2. Significant Accounting Policies

a) Basis of Presentation

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

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

2. Significant Accounting Policies (continued)

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

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

b) Valuation

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

Fair value is determined as follows:

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

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. Brokerage commissions are initially capitalized into the cost of the related investment. Pursuit costs are charged to net income of the respective pooled investment portfolios in the period incurred. The daily cash settlement on the equity index futures, including brokerage commissions and miscellaneous expenses on the purchase and sale of the contracts, is recorded as investment income.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
POOLED INVESTMENT PORTFOLIOS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

2. Significant Accounting Policies (Continued)

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

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

d) Issue and Redemption of Units

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

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

e) Foreign Currency Translation

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

f) Income Taxes

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

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2. Significant Accounting Policies (continued)

f) Income Taxes

Canadian tax under section 149 (o.2) of the *Income Tax Act (Canada)*

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

g) Use of Estimates

Financial statements prepared in conformity with Canadian generally accepted accounting principles require management to make certain estimates and assumptions that can affect the reported balances. In determining the fair value of some of its investments, particularly private placements, management relies on external appraisers' or fund 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 Policy Changes

On April 1, 2005, the Canadian Institute of Chartered Accountants ("CICA") issued Section 3855, "Financial Instruments – Recognition and Measurement" of the CICA Handbook – Accounting, which establishes Canadian generally accepted accounting principles (GAAP) for measuring financial assets, financial liabilities and non-financial derivatives. Section 3855 will apply to the pooled investment portfolios for the fiscal year beginning on April 1, 2008.

Under Section 3855, the fair value of financial instruments traded in active markets must be measured based on their bid prices. Currently, the fair value of these financial instruments is measured based on the last traded price of the day (the closing price), where available, for both Canadian GAAP and the calculation of the Net Asset Value (NAV) for purchases and redemptions of units. After the introduction of Section 3855 on April 1, 2008, the pooled investment portfolios will continue to measure the fair value of financial instruments traded in active markets at closing prices when calculating the NAVs for the purchase and redemptions of units, in line with industry practice, but will measure the fair value of these financial instruments at bid prices for financial reporting under Canadian GAAP. Reconciliations will be provided between the NAVs calculated for the purchases and redemptions of units and the NAVs calculated in accordance with Section 3855 under Canadian GAAP.

Section 3855 also requires that transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities must be charged to net income in the period in which they are incurred. The current accounting practices of the pooled investment portfolios is to add these expenses to the cost of the securities purchased or deduct them from the proceeds of sale. Starting April 1, 2008, these transaction costs will be charged to net income of the respective pooled investment fund in the period incurred. However, this change in itself will no impact on net income as there will be an offsetting affect on the net realized or unrealized gain (loss), as applicable.

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4. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial instruments held by the pooled investment portfolios include derivatives, investments and investment-related receivables and liabilities. Financial instruments may be exposed to foreign currency, interest rate, market and credit risks.

a) Foreign Currency Risk

The pooled investment portfolios are exposed to currency risk through holding of investments, investment receivables, and investment liabilities in various currencies. Fluctuations in the relative value of the Canadian dollar (U.S. dollar for Fund ST3) against these foreign currencies can result in a positive or negative effect on the fair value of the investments and investment-related receivables and liabilities. The pooled investment portfolios 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. The net currency exposure is shown in the Statements of Investments for the pooled investment portfolios that hold investments and investment-related receivables and liabilities denominated in foreign currencies.

b) Interest Rate Risk

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

c) Market Risk

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

d) Credit Risk

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

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4. Financial Instruments (continued)

e) Fair Value of Investment-Related Assets and Liabilities

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

5. Derivatives

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

Equity Index Futures Contracts

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

Foreign Currency Contracts

Foreign currency contracts are agreements to exchange a specified amount of one currency for another currency on a specific date in the future for a specified price. In the case of foreign currency contracts, the notional value represents the amount to be exchanged on the future contract date. The fair value of the foreign currency contracts is calculated as the difference between the amount to be exchanged on the future contract date and the amount that would be exchanged using the prevailing forward foreign currency rates. The unrealized gains (losses) on the unexpired foreign currency contracts as at March 31, 2007 are shown as Unrealized Gains or Unrealized Losses on Foreign Currency Contracts on the Statements of Net Assets and included in the Change in Unrealized Gain (Loss) on the Statements of Operations and Changes in Net Assets. The number of foreign currency contracts and respective expiry dates are shown in the schedules, following the Statement of Investments, for each pooled investment portfolio that holds them.

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6. Expenses

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

7. Units Outstanding

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

	CANADIAN MONEY MARKET FUND ST1		CANADIAN MONEY MARKET FUND ST2		U.S. DOLLAR MONEY MARKET FUND ST3	
	2007	2006	2007	2006	2007	2006
Outstanding, beginning of year	734.483	571.437	478.284	1,140.067	46.397	86.545
Issued	10,386.863	8,367.158	2,751.399	2,271.560	660.917	969.142
Redeemed	<u>(10,560.078)</u>	<u>(8,204.112)</u>	<u>(2,664.326)</u>	<u>(2,933.343)</u>	<u>(667.640)</u>	<u>(1,009.290)</u>
Outstanding, end of year	<u>561.268</u>	<u>734.483</u>	<u>565.357</u>	<u>478.284</u>	<u>39.674</u>	<u>46.397</u>

	INDEXED GOVERNMENT BOND FUND		LONG TERM BOND FUND		BRITISH COLUMBIA FOCUS FUND	
	2007	2006	2007	2006	2007	2006
Outstanding, beginning of year	102.617	90.336	1,340.927	1,340.927	2.634	2.634
Issued	7.027	20.425	3.162	15.894	-	-
Redeemed	<u>(35.777)</u>	<u>(8.144)</u>	<u>(3.162)</u>	<u>(15.894)</u>	<u>(.995)</u>	-
Outstanding, end of year	<u>73.867</u>	<u>102.617</u>	<u>1,340.927</u>	<u>1,340.927</u>	<u>1.639</u>	<u>2.634</u>

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7. Units Outstanding (continued)

	INDEXED CANADIAN EQUITY FUND		ACTIVE CANADIAN EQUITY FUND		ENHANCED CANADIAN EQUITY FUND	
	2007	2006	2007	2006	2007	2006
Outstanding, beginning of year	1,770.493	2,473.793	943.794	1,079.858	661.705	167.068
Issued	76.447	1,936.671	22.061	11.386	74.203	504.073
Redeemed	(632.591)	(2,639.971)	(294.573)	(147.450)	(58.785)	(9.436)
Outstanding, end of year	<u>1,214.349</u>	<u>1,770.493</u>	<u>671.282</u>	<u>943.794</u>	<u>677.123</u>	<u>661.705</u>
	ACTIVE U.S. EQUITY FUND		S & P 500 INDEX EQUITY FUND		ENHANCED INDEXED U.S. EQUITY FUND	
	2007	2006	2007	2006	2007	2006
Outstanding, beginning of year	641.552	593.929	1,451.697	557.407	344.105	113.335
Issued	31.242	56.971	171.115	1,470.764	262.299	242.302
Redeemed	(31.242)	(9.348)	(323.614)	(576.474)	(4.699)	(11.532)
Outstanding, end of year	<u>641.552</u>	<u>641.552</u>	<u>1,299.198</u>	<u>1,451.697</u>	<u>601.705</u>	<u>344.105</u>
	U.S. VALUE INDEX EQUITY FUND		U.S. SOCIAL INDEX EQUITY FUND		CURRENCY OVERLAY FUND	
	2007	2006	2007 (note 1)		2007	2006
Outstanding, beginning of year	673.734	677.073	-		34.884	24.266
Issued	2.805	68.464	491.458		0.790	10.618
Redeemed	(2.805)	(71.803)	(0.790)		(.0790)	-
Outstanding, end of year	<u>673.734</u>	<u>673.734</u>	<u>490.668</u>		<u>34.884</u>	<u>34.884</u>

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7. **Units Outstanding (continued)**

	U.S. CURRENCY HEDGING FUND	
	2007	2006
Outstanding, beginning of year	104.910	28.835
Issued	30.319	96.688
Redeemed	(0.441)	(20.613)
Outstanding, end of year	134.788	104.910