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

Realpool Investment Fund

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

British Columbia Investment Management Corporation (bcIMC) manages the Realpool Investment Fund (Fund) on behalf of governing fiduciaries such as pension fund trustees and other public sector clients

The 2009 financial statements of the Fund have been prepared by management of bcIMC and approved by the Chief Investment Officer/Chief Executive Officer. 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 judgment 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 Realpool Investment Fund, reviewing the external audit plan; reviewing bcIMC's Report on Controls Placed in Operation and Tests of Operating Effectiveness of Controls for the Investment System of British Columbia Investment Management Corporation, and receiving the annual audited financial statements of the Realpool Investment Fund. 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 organization 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.

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



Doug Pearce
Chief Executive Officer,
Chief Investment Officer



David Woodward
Vice President, Finance & Operations

Victoria, British Columbia
March 5, 2010



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AUDITORS' REPORT TO THE UNITHOLDERS

We have audited the statements of net assets and investments of Realpool Investment Fund (the "Fund") as at December 31, 2009 and the statements of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Fund's Manager, British Columbia Investment Management Corporation. 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 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 Fund's 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 Fund as at December 31, 2009, and the results of its operations, changes in its net assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada
March 5, 2010.

A handwritten signature in cursive script that reads 'Ernst & Young LLP'.

Chartered Accountants

REALPOOL INVESTMENT FUND

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

	<u>2009</u>	<u>2008</u>
Assets		
Investments at market value (note 6)	9,392,202	10,445,747
Cash	115,660	16,434
Receivable from sale of investments	2,429	-
Receivable from issue of units	-	125,000
Accrued investment income	120	305
	<u>9,510,411</u>	<u>10,587,486</u>
Liabilities		
bclMC funds management fees payable (note 9)	314	320
Payable for redemption of units	75,000	35,000
Accounts payable	1,345	758
Total liabilities	<u>76,659</u>	<u>36,078</u>
Commitments and contingencies (notes 10 and 11)		
Net assets representing unitholders' equity (note 5)	<u>9,433,752</u>	<u>10,551,408</u>
Number of units outstanding (note 12)	1,921	1,978
Net asset value per unit	<u>4,912</u>	<u>5,334</u>



Doug Pearce
Chief Executive Officer
Chief Investment Officer

REALPOOL INVESTMENT FUND

Statement of Operations and Changes in Net Assets
for the years ended December 31
(in \$000s)

	<u>2009</u>	<u>2008</u>
Investment income	35,078	47,855
Expenses:		
bcIMC funds management fees (note 9)	3,831	3,865
Administrative and professional fees	3,331	2,976
Commissions and stock exchange fees	47	37
Custodial fees	3	2
	<u>7,212</u>	<u>6,880</u>
Net investment income	27,866	40,975
Realized and unrealized gains (losses):		
Net realized gain	139,084	404,736
Change in unrealized (loss)	<u>(994,606)</u>	<u>(460,105)</u>
	<u>(855,522)</u>	<u>(55,369)</u>
Net income from operations	(827,656)	(14,394)
Capital Transactions:		
Proceeds from units issued	202,636	285,815
Amounts paid for units redeemed	<u>(492,636)</u>	<u>(335,816)</u>
	<u>(290,000)</u>	<u>(50,001)</u>
Increase (decrease) in net assets	(1,117,656)	(64,395)
Net assets, beginning of year	<u>10,551,408</u>	<u>10,615,803</u>
Net assets, end of year	<u>9,433,752</u>	<u>10,551,408</u>

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REALPOOL INVESTMENT FUND

Statement of Cash Flows
for the years ended December 31
(in \$000s)

	<u>2009</u>	<u>2008</u>
Cash flow provided by (used for):		
Cash flows from operating activities		
Net income from operations	(827,656)	(14,394)
Items not affecting cash:		
Net realized (gain)	(139,084)	(404,736)
Change in unrealized loss	994,606	460,105
	<u>27,866</u>	<u>40,975</u>
Changes in non-cash operating accounts		
Receivable for the issue of units	125,000	(50,000)
Receivable from sale of investments	(2,429)	-
Accrued investment income	185	(199)
bcIMC funds management fees payable	(6)	38
Payable for redemption of units	40,000	35,000
Accounts payable	587	(10,373)
	<u>191,203</u>	<u>15,441</u>
Cash flows from investing activities		
Proceeds from sale of investments	1,812,398	1,744,430
Purchase of investments	(1,614,375)	(1,700,608)
	<u>198,023</u>	<u>43,822</u>
Cash flows from financing activities		
Proceed from units issued	202,636	285,815
Amounts paid for units redeemed	(492,636)	(335,816)
	<u>(290,000)</u>	<u>(50,001)</u>
Net increase in cash	99,226	9,262
Cash, beginning of year	<u>16,434</u>	<u>7,172</u>
Cash, end of year	<u><u>115,660</u></u>	<u><u>16,434</u></u>

REALPOOL INVESTMENT FUND

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

	2009		2008	
	Fair Value	Cost	Fair Value	Cost
Real Estate Investments¹:	8,875,485	5,295,766	10,016,027	5,379,925
Equities:				
Publicly Traded	12,964	11,386	25,992	35,070
Fixed Income Investments²:	406,758	479,343	377,805	501,568
Money Market Investments:				
Units in bclMC Pooled Investment Portfolio				
Fund ST1	307	307	73	74
Fund ST2	96,688	96,838	25,850	25,944
	<u>96,995</u>	<u>97,145</u>	<u>25,923</u>	<u>26,018</u>
Total Investments	<u>9,392,202</u>	<u>5,883,640</u>	<u>10,445,747</u>	<u>5,942,581</u>

¹Real estate investments are held through private corporations and limited partnerships. See note 7.

²See note 6 for further details on fixed income investments.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
REALPOOL INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

1. The Portfolio

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 Realpool Investment Fund (the "Fund") was established on July 3, 1991 and invests in diversified Canadian income-producing properties including institutional-grade Canadian office, industrial, residential, retail, hospitality and mixed use properties.

2. Significant Accounting Policies

a) Basis of Presentation

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

b) Valuation

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

Fair value is determined as follows:

- (i) Money market securities values are derived from external market quotations provided by recognized data suppliers in the securities industry.
- (ii) Bonds, debentures, real return bonds, and public equities (including exchange traded funds) are valued at bid prices on the valuation date. Securities not 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) Non-hospitality real estate properties are valued by the Fund's external managers at the end of each quarter and are formally appraised externally once every ten to eighteen months by accredited independent appraisers. Hospitality real estate properties are valued quarterly by external appraisers with a formal appraisal once every 4 quarters.
- (iv) Private business enterprises are valued using various methodologies including discounted cash flows, income multiples and net assets available to shareholders.
- (v) Fixed-rate, fixed-term mortgages are valued based on a discounted cash flow model that uses a risk free rate of return and a mortgage credit spread for each mortgage using information received from independent external sources. Variable rate mortgages are determined based on the principal balance of the mortgages less any provisions for impairment.

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

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
REALPOOL INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

2. Significant Accounting Policies (continued)

Gains and losses 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. 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 average cost for equities, and amortized cost for money market securities, and fixed income securities. 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.

e) Issue and Redemption of Units

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

f) Income Taxes

Under paragraph 104(6) of the *Income Tax Act (Canada)*, the Fund may deduct from its taxable income any amounts that are distributed to beneficiaries (i.e. unit holders) and are taxable in their hands. All income and net taxable capital gains earned by the Fund are distributed to the unit holders through either actual cash distributions or an increase in the tax cost of the units prior to the end of each calendar year, resulting in no Canadian taxes being payable by the Fund. The intermediary holding corporations held by the Funds are exempt from Canadian tax under section 149 (0.2) of the *Income Tax Act (Canada)*.

g) Use of Estimates

Financial statements prepared in accordance with Canadian generally accepted accounting principles require management to make certain estimates and assumptions that can affect the reported balances. In determining the fair value of some of its investments, management relies on external appraisers' or external asset managers' estimates and assumptions regarding industry performance and prospects, as well as general business and economic conditions that prevail or are expected to prevail. By nature, these asset valuations are subjective and do not necessarily result in precise determinations. Financial results as determined by actual events could differ from those estimates and assumptions, and the difference could be material.

3. Adoption of Accounting Standards in Current Fiscal Year

Effective January 1, 2009, the Fund adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants.

Emerging Issues Committee ["EIC"] -173, *Credit Risk and the Fair Value of Financial Assets and Financial Liabilities*, requires that the Fund's own credit risk and the credit risk of its counterparties be taken into account in determining the fair value of a financial instrument. EIC-173 is to be applied retrospectively without restatement of prior periods to periods ending on or after January 20, 2009. The Fund's financial statements are not materially impacted from applying this new standard.

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

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability (i.e. quoted prices of similar securities, Bank of Canada rates and 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 between levels.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
REALPOOL INVESTMENT FUND
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FOR THE YEAR ENDED DECEMBER 31, 2009**

4. Future Accounting Changes

In January 2006, the Accounting Standards Board (AcSB) adopted a strategic plan for the direction of accounting standards in Canada. As part of this plan, accounting standards in Canada are expected to converge with International Financial Reporting Standards (IFRS) in 2011. The financial statements are prepared on a non-consolidated basis based on an exemption that is provided under Canadian GAAP for investment companies. Currently, IFRS does not have a similar exemption and would require the financial statements to be prepared on a consolidated basis. In management's view, consolidated financial statements would not provide meaningful, transparent information for the users of the financial statements. If the requirement to consolidate under IFRS remains after 2011, management will adopt IFRS on January 1, 2011 with the exception of the requirement to consolidate certain investments, which will be accounted for at fair value under a disclosed basis accounting policy. The impact of adopting a disclosed basis of accounting consolidation policy is expected to be mainly in presentation and additional disclosures in the financial statements of the Fund.

5. Reconciliation of Net Asset

Since January 1, 2008, the calculation of net assets of the Fund for financial reporting purposes (GAAP NAV) has required investments to be valued using the bid price. To be consistent with the investment funds industry and the Rules and Policies implemented by the Canadian Securities Administrators, the Fund determines 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. As at December 31, 2009, the transactional NAV is \$9,433,762,000 and the GAAP NAV is \$9,433,752,000, for a difference of \$10,000. There is no material difference between the transactional NAV per unit and the GAAP NAV per unit.

6. Fixed Income Investments

The fixed income investments are all securities issued by Realpool's wholly owned subsidiary entities. These comprise three types of securities: variable interest notes, fixed rate notes and demand promissory notes. The note terms are:

Description	Interest	Maturity	2009 Fair Value (\$000s)	2009 Cost (\$000s)	2008 Fair Value (\$000s)	2008 Cost (\$000s)
Variable interest notes	4% -12 % interest based on prior years EBITDA of the issuer	September 30, 2017 to August 13, 2023	342,502	415,087	347,885	471,648
Fixed rate notes	12 - 15%	March 31, 2010 to December 6, 2017	64,256	64,256	-	-
Demand Promissory notes	11 - 12%	On demand	-	-	29,920	29,920
			406,758	479,343	377,805	501,568

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
REALPOOL INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

7. Financial Risk Management

The investment objective of the Fund is to provide clients with exposure to a portfolio of Canadian real estate and real estate-related investments. The Fund's holdings are highly diversified by property type, geographic location, investment size, and investment risk. The Fund primarily concentrates on high quality income producing Canadian office, industrial, residential, retail, hospitality and mixed-use properties located in geographic regions that have strong and growing economies. The Fund's investment strategy is to be well diversified and to hold quality properties that will perform well across multiple economic cycles. Real estate investments are only made when there is a reasonable expectation that return objectives can be achieved over a ten year horizon.

The Fund invests in the following assets:

- eligible real estate investments for pension plans under the *Pensions Benefits Standards Act* (B.C.),
- real estate-related investments, including trust units, partnership interests, shares and debt,
- units in the Managers' pooled funds provided such holding are permissible investments for the Fund,
- government debt securities with a maximum term to maturity of one year, and
- bclMC Canadian Money Market Funds ST1 and ST2.

The following restrictions apply to the Fund's use of debt financing:

- it may only be used in a prudent manner for real estate and real estate-related investment,
- it may not be created if, as a result, the debt to market value ratio of the overall real estate portfolio would exceed 25 percent, except in the case of assumption or renewal of existing debt, and
- Another 5 percent is allowed for the assumption or renewal of existing debt.

The Fund holds most of its investments through wholly owned non-consolidated corporations or limited partnerships. The risk disclosure outlined below describes the financial risk related to the Fund and the wholly owned corporations and limited partnerships and underlying investments.

a) Credit Risk

Credit risk arises from the possibility that tenants, hotel guests and third party hotel owners may experience financial difficulty and be unable to meet their obligations to Realpool entities. The Fund's credit risk is limited to the recorded amount of these obligations. To mitigate these risks, the Fund has a diverse set of tenants in a variety of industries and the Fund performs ongoing credit evaluations of its customers and establishes allowances for potential losses.

b) Liquidity Risk

Liquidity risk is the risk that the Fund will be unable to generate sufficient cash in a timely manner or at a reasonable price to meet commitments as they come due. The Fund is exposed to the liquidity risk associated with the requirement to redeem units. Units of the 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 the 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 promissory note and variable rate notes of the Fund are receivable from the underlying corporations and limited partnerships, so the Fund is not subject to interest rate risk on these financial instruments.

The mortgages of the underlying non-consolidated corporations and limited partnerships bear interest rates up to 9.0% (2008 – 9.0%) with a weighted average 5.36% (2008 – 6.0%). They are due at various dates to 2026.

Principal payments on the mortgages are due as follows:

	(\$000s)
2010	120,090
2011	150,558
2012	151,082
2013	211,380
2014	369,449
2015 and thereafter	286,984
	1,289,543

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
REALPOOL INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

7. Financial Risk Management (continued)

The notes payable of the underlying non-consolidated corporations and limited partnerships are unsecured and have the following terms and interest rates:

Issue	Maturity date	Interest rate	2009 (\$000s)	2008 (\$000s)
Series 1	December 22, 2009	3.94%	-	200,000
Series 3	February 10, 2011	4.10%	149,906	149,906
Series 4	February 10, 2015	4.65%	149,894	149,894
Series 5	September 19, 2012	5.24%	249,766	249,766
Series 6	January 5, 2018	5.65%	199,390	199,390
			748,956	948,956

As at December 31, 2009, if the interest rates increased or decreased by 1% with other variables held constant, the fair value of the mortgages and notes payable would decrease by \$61,277,000 and increase by \$75,448,000 respectively.

d) Other Valuation Risk

As at December 31, investments held by the Fund are diversified across the following property sectors:

Real Estate Properties	2009 (\$000s)	2009 % of Total	2008 (\$000s)	2008 (\$000s)
Retail	1,062,682	9.7	1,197,513	10.0
Office	5,046,525	46.1	5,537,968	46.4
Industrial	1,393,280	12.7	1,580,286	13.2
Residential	1,862,548	17.0	2,007,510	16.8
Hospitality	746,184	6.8	837,812	6.8
Property held for/under development	844,904	7.7	815,790	6.8
Total real estate properties	10,956,123	100.0	11,976,879	100.0

As at December 31, investments held by the Fund are diversified across the following geographic regions in Canada:

Real Estate Properties	2009 (\$000s)	2009 % of Total	2008 (\$000s)	2008 (\$000s)
British Columbia	1,967,691	18.0	2,172,329	18.1
Alberta	3,841,008	35.1	4,157,692	34.8
Saskatchewan	124,520	1.1	120,967	1.0
Manitoba	169,210	1.5	184,825	1.5
Ontario	4,050,038	37.0	4,446,748	37.1
Quebec	660,292	6.0	717,112	6.0
Prince Edward Island	4,900	0.1	6,143	0.1
New Brunswick	22,534	0.2	21,545	0.2
Nova Scotia	113,630	1.0	147,830	1.2
Newfoundland	2,300	0.0	1,688	0.0
Total real estate properties	10,956,123	100.0	11,976,879	100.0

Other net investment (assets and liabilities) were in a net liability position of \$1,563,921,000 (2008 net liability \$1,531,132,000).

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
REALPOOL INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

8. Fair Value Measurements

CICA 3862, *Financial Instruments – Disclosures* establishes a three-tier hierarchy as a framework for disclosing fair value based on inputs to value the Fund's investments (see note 3 for further discussion).

The following is a summary of the inputs used as of December 31 in valuing the Fund's investments carried at fair value:

Assets at Fair Value at December 31, 2009				
Type of Security	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Money Market Investments	-	96,995	-	96,995
Public Equities	12,964	-	-	12,964
Private Equities	-	-	8,875,485	8,875,485
Bonds	-	-	406,758	406,758
Total	12,964	96,955	9,282,243	9,392,202

During the period ended December 31, 2009, the reconciliation of investments measured at fair value using significant unobservable inputs (Level 3) is as follows:

Reconciliation of Level 3 Balances			
	Private Equities	Bonds	Total
Beginning Balance - January 1, 2009	10,016,027	377,805	10,393,832
Net Purchases and Sales	(219,858)	(22,225)	(242,083)
Net transfers Into and/or Out	-	-	-
Realized Gains (Losses)	135,699	-	135,699
Change in Unrealized appreciation/depreciation	(1,056,383)	51,178	(1,005,205)
Ending Balance - December 31, 2009	8,875,485	406,758	9,282,243

9. Expenses

Investment management fees are paid to external fund managers by the Fund for providing investment management and advisory services. Third party costs that are attributable to the Fund are charged to the Fund. Other costs initially borne by bcIMC are recovered from the Fund by bcIMC charging management fees, which are calculated on a cost recovery basis.

10. Commitments

The Fund, its wholly-owned corporations and limited partnerships have property purchase and development commitments of \$343.5 million, unfunded commitments to certain investment funds of \$6.7 million, commercial purchasing card lines of credit of \$5.2 million, and have issued letters of credit totalling \$13.6 million.

11. Contingencies

Certain investments of the Fund may, in the normal course of business activities, be involved in disputes with third parties. bcIMC management assesses the likelihood of loss relating to any disputes and has determined that such disputes would not have a material impact on the net asset value of the Fund.

**BRITISH COLUMBIA INVESTMENT MANAGEMENT CORPORATION
REALPOOL INVESTMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009**

12. Units Outstanding

Units issued and outstanding represent the capital of the Fund. bcIMC manages the capital of the Funds in accordance with the Fund's investment objectives, including managing liquidity in order to meet redemptions as discussed in note 7. The Statement of Changes in Net Assets identifies changes in the Fund's capital during the period. The following is a summary of the changes in units outstanding during the year:

	<u>2009</u>	<u>2008</u>
Outstanding, beginning of year	1,978.259	1,986.243
Issued	41.442	52.720
Redeemed	<u>(99.033)</u>	<u>(60.704)</u>
Outstanding, end of year	<u>1,920.668</u>	<u>1,978.259</u>