



PRINCIPAL CREDIT FUND

Financial Statement

DECEMBER 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

British Columbia Investment Management Corporation (BCI) manages the Principal Credit Fund (the "Fund") on behalf of governing fiduciaries such as pension fund trustees and other public sector clients. This report contains the financial statements for the Fund for the year ended December 31, 2024.

The financial statements of the Fund have been prepared by management of BCI and approved by the Chief Investment Officer/Chief Executive Officer. The financial statements have been prepared in accordance with IFRS Accounting Standards. The material accounting policies used in the preparation of these statements are disclosed in note 3 to the financial statements. The statements include certain amounts that are based on management's judgement and best estimates.

BCI's Board has established an Audit Committee. The Audit Committee's mandate includes making recommendations on the appointment of the external auditor for the Fund, reviewing the external audit plan; reviewing BCI's System and Organization Controls Report for the Investment System of British Columbia Investment Management Corporation, and reviewing the annual audited financial statements of the Fund. The Audit 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.

BCI 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. BCI'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 Fund Policies and client-approved investment mandates. BCI's investment system is supported by an independent service auditor who tests the design and operating effectiveness of controls around the investment system and reports directly to the Audit Committee.

BCI's external auditors, KPMG LLP, have full and unrestricted access to the Audit Committee and BCI management. KPMG LLP discusses with management and the Audit Committee the results of their audit of the Fund's financial statements and related findings with respect to such audits. The Fund's financial statements are 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 Fund financial statements.

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer / Chief Investment Officer

[S] Rechelle Effendy

Rechelle Effendy
Senior Vice President, Finance & CFO

Victoria, British Columbia
June 23, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the unitholders of the Principal Credit Fund managed by British Columbia Investment Management Corporation (the "Manager")

Opinion

We have audited the financial statements of the Principal Credit Fund (the "Fund"), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of the Manager and Those Charged with Governance for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Manager's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.



- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
June 23, 2025

PRINCIPAL CREDIT FUND

Statement of Financial Position

(Expressed in thousands of dollars, except numbers of units)

As at December 31, 2024, with comparative information for 2023

Assets	NOTES	2024	2023
Cash		\$ 4	\$ 4
Interest receivable		27,843	77,644
Derivative assets:			
Forwards		16,024	277,596
Investments		17,910,618	15,109,802
Total assets		17,954,489	15,465,046
Liabilities			
BCI cost recoveries payable	4	2,196	2,334
Other accounts payable		373	157
Payable to BCI segregated funds	4	252,774	155,532
Derivative liabilities:			
Forwards		645,841	9,054
		901,184	167,077
Net assets attributable to holders of redeemable units		\$ 17,053,305	\$ 15,297,969
Number of redeemable units outstanding	5	11,136.051	11,047.606
Net assets attributable to holders of redeemable units per unit		\$ 1,531	\$ 1,385

Unfunded committed capital

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[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

PRINCIPAL CREDIT FUND

Statement of Comprehensive Income

(Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

Revenue	NOTES	2024	2023
Interest income	4	\$ 425,019	\$ 444,747
Other income		3,136	4,765
Foreign exchange gain (loss)		7,476	(134)
Change in fair value of investments, derivatives and payable to BCI segregated funds:			
Net realized gain (loss)		488,435	(153,169)
Net change in unrealized appreciation		677,850	1,403,865
Total revenue		1,601,916	1,700,074
Expenses			
BCI cost recoveries	4	27,275	26,466
External management fees		—	1,353
Administrative fees		2,019	661
Pursuit costs		1,944	1,625
Withholding taxes		19	—
Total operating expenses		31,257	30,105
Increase in net assets attributable to holders of redeemable units before distributions		1,570,659	1,669,969
Distributions to holders of redeemable units		(1,086,542)	(693,771)
Increase in net assets attributable to holders of redeemable units		\$ 484,117	\$ 976,198

PRINCIPAL CREDIT FUND**Statement of Changes in Net Assets Attributable to Holders of Redeemable Units**

(Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Balance, beginning of year	\$ 15,297,969	\$ 12,422,147
Increase in net assets attributable to holders of redeemable units	484,117	976,198
Redeemable unit transactions:		
Proceeds from units issued	2,447,960	2,827,822
Reinvestment of distributions	1,086,542	693,771
Amounts paid for units redeemed	(2,263,283)	(1,621,969)
Net increase from redeemable unit transactions	1,271,219	1,899,624
Balance, end of year	\$ 17,053,305	\$ 15,297,969

PRINCIPAL CREDIT FUND

Statement of Cash Flows

(Expressed in thousands of dollars)

Year ended December 31, 2024, with comparative information for 2023

Operating activities	2024	2023
Increase in net assets attributable to holders of redeemable units	\$ 484,117	\$ 976,198
Adjustments for:		
Foreign exchange (gain) loss	(7,476)	134
Interest income	(425,019)	(444,747)
Withholding taxes	19	—
Net realized (gain) loss from investments, derivatives, and payable to BCI segregated funds	(488,435)	153,169
Net change in unrealized appreciation of investments, derivatives, and payable to BCI segregated funds	(677,850)	(1,403,865)
Amortization of premiums and discounts	(2,413)	(1,334)
Distributions to holders of redeemable units	1,086,542	693,771
Payable to BCI segregated funds	97,242	72,659
Interest received	474,820	441,556
Withholding taxes paid	(19)	—
BCI cost recoveries payable	(138)	617
Other accounts payable	216	(100)
Net purchase of investments and derivatives	(733,759)	(1,693,773)
	(192,153)	(1,205,715)
Financing activities		
Proceeds from issuance of redeemable units	2,447,960	2,827,822
Payments on redemption of redeemable units	(2,263,283)	(1,621,969)
	184,677	1,205,853
Net increase (decrease) in cash	(7,476)	138
Effect of exchange rate changes on cash	7,476	(134)
Cash, beginning of year	4	—
Cash, end of year	\$ 4	\$ 4

PRINCIPAL CREDIT FUND

Schedule of Investments

(Expressed in thousands of dollars)

As at December 31, 2024, with comparative information for 2023

	NOTES	2024		2023	
		Fair Value	Cost	Fair Value	Cost
Private Debt Investments ¹		\$ 16,110,427	\$ 12,815,054	\$ 13,499,614	\$ 11,689,124
Money Market Investments					
Units in BCI Pooled Investment Portfolio					
Fund ST1		23,108	23,108	160,133	160,134
Fund ST3		167,181	178,803	129,624	136,796
		190,289	201,911	289,757	296,930
Investment Related Receivables					
Loans to Fixed Income program	4	1,609,902	1,494,256	1,320,431	1,323,617
Total Investments		\$ 17,910,618	\$ 14,511,221	\$ 15,109,802	\$ 13,309,671

¹ The private debt investments are held through private corporations, limited partnerships and trusts.

PRINCIPAL CREDIT FUND

Schedule of Derivative Assets and Liabilities

(Expressed in thousands of dollars)

As at December 31, 2024, with comparative information for 2023

	2024			2023		
	Notional Value ^(a)	Fair Value		Notional Value ^(a)	Fair Value	
Derivative Assets ^(b)		Derivative Liabilities	Derivative Assets ^(b)		Derivative Liabilities	
Currency derivatives						
OTC						
Forwards	\$ 16,848,850	\$ 16,024	\$ (645,841)	\$ 14,258,294	\$ 277,596	\$ (9,054)
Total	\$ 16,848,850	\$ 16,024	\$ (645,841)	\$ 14,258,294	\$ 277,596	\$ (9,054)

The terms of maturity based on notional value for the derivatives were as follows at December 31:

	2024		2023	
Less than 1 year	\$ 16,848,850	\$ 14,258,294		
Total	\$ 16,848,850	\$ 14,258,294		

(a) Notional value represents the net absolute value of the contractual amount to which a rate or price is applied in order to calculate the exchange of cash flows and is therefore not recorded in the financial statements. Notional amounts do not necessarily indicate the amounts of future cash flows or the current fair value of the derivative contracts and, therefore do not necessarily indicate the Fund's exposure to credit or market risk.

(b) The fair value of derivative contracts recorded as an asset represents the credit risk or the loss to which the Fund is potentially exposed should counterparties fail to perform under the derivative contract.

1. THE PORTFOLIOS

British Columbia Investment Management Corporation ("BCI") was established under the *Public Sector Pension Plans Act* (the "Act") as a trust company authorized to carry on trust business and investment management services. The address of BCI's registered office is at 750 Pandora Avenue, Victoria, British Columbia, Canada. These financial statements have been prepared by BCI and are the responsibility of BCI management.

Under the Act and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 447/99 (the "Regulations"), BCI may establish and operate Funds "... 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, Funds previously established under the *Financial Administration Act* and the *Pooled Investment Portfolios Regulation*, B.C. Reg. 84/86, were continued under the Regulations, to be held in trust by BCI and invested by the Chief Investment Officer ("CIO") of BCI.

The Principal Credit Fund ("the Fund") was established on April 1, 2018.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements have been prepared in compliance with IFRS Accounting Standards. These financial statements were authorized for issue by the Chief Executive Officer / Chief Investment Officer on June 23, 2025.

(b) Accounting for investments

The Fund qualifies as an investment entity as it meets the following definition of an investment entity outlined in IFRS 10, *Consolidated Financial Statements (IFRS 10)*:

- Obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services.
- Commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both.
- Measures and evaluates the performance of substantially all of its investments on a fair value basis.

(c) Basis of measurement

These financial statements have been prepared on a historical cost basis except for investments, derivative financial instruments, payable to BCI segregated funds and redeemable units which are measured at fair value.

(d) Functional and presentation currency

These financial statements are presented in Canadian dollars which is the Fund's functional currency

(e) Use of estimates and judgment

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. In determining the fair value of some of its investments, BCI reviews and assesses external managers' and/or external appraisers' 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.

The financial markets are a source of uncertainty, notably due to geopolitical tensions, ongoing tariff negotiations, and the volatility of stock markets and interest rates that are continuing to disrupt global economic activity.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future period affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next fiscal year is included in note 8. This information relates to the determination of fair value of investments with significant unobservable inputs.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

(i) Recognition and measurement

Financial instruments are required to be classified into one of the following categories: amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). All financial instruments are measured at fair value on initial recognition. Measurement in subsequent periods depends on the classification of the financial instrument. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments classified as FVTPL in which case transaction costs are expensed as incurred.

Financial assets and financial liabilities are recognized initially on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. The Fund derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position only when the Fund has a legal right to offset the amounts and intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

A financial asset is measured at amortized cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows and sell financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition the Fund irrevocably elects to measure financial assets that otherwise meet the requirements to be measured at amortized cost or at FVOCI as at FVTPL when doing so results in more relevant information.

Financial assets are not reclassified subsequent to their initial recognition, unless the Fund changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Fund has not classified any of its financial assets as FVOCI.

A financial liability is generally measured at amortized cost, with exceptions that may allow for classification as FVTPL. These exceptions include financial liabilities that are mandatorily measured at

fair value through profit or loss, such as derivative financial liabilities. On initial recognition the Fund irrevocably designates a financial liability as measured at FVTPL when doing so results in more relevant information.

(ii) Fair value through profit or loss

Financial instruments classified as FVTPL are subsequently measured at fair value at each reporting period with changes in fair value recognized in the Statement of Comprehensive Income in the period in which they occur.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and marketable securities) are based on quoted market prices at the close of trading on the reporting date. The Fund's policy is to recognize transfers into and out of the fair value hierarchy levels as of the date of the event or change in circumstances giving rise to the transfer.

The fair value of financial assets and liabilities that are not traded in an active market, including non-publicly traded derivative financial instruments, is determined using valuation techniques. Valuation techniques include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and others commonly used by market participants and which make the maximum use of observable inputs. Should the value of the financial asset or liability, in the opinion of BCI, be inaccurate, unreliable or not readily available, the fair value is estimated on the basis of the most recently reported information of a similar financial asset or liability.

(iii) Amortized cost

Financial assets and liabilities classified as amortized cost are recognized initially at fair value plus any directly attributable transaction costs. Subsequent measurement is at amortized cost using the effective interest method, less any impairment losses.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(iv) Classification of financial assets and liabilities

The following table summarizes the classification of the Funds' financial assets and liabilities:

FINANCIAL ASSET OR LIABILITY	CLASSIFICATION
Investments	FVTPL
Derivative financial instruments	FVTPL
Payable to BCI segregated funds	FVTPL
Redeemable units	FVTPL
Cash	Amortized cost
Interest receivable	Amortized cost
BCI cost recoveries payable	Amortized cost
Other accounts payable	Amortized cost

(b) Redeemable Units

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. In accordance with the Regulations, the Fund is required to distribute, to unitholders of the Fund's redeemable units, the taxable income and taxable capital gains of the Fund at least annually. Accordingly, such units are classified as financial liabilities at FVTPL and measured at redemption amount. Distributions to holders of redeemable units are

recognized in the Statement of Comprehensive Income when they are authorized and no longer at the discretion of BCI.

(c) Issues and redemption of units

Participation in the Fund is expressed in units. The initial value of a unit on inception is \$1,000. 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. The Fund was open participation throughout the year where the number of units available for issue was unlimited and the proportion of units issued or redeemed by each client on a particular valuation date depended on changes to their desired asset allocation.

(d) Foreign exchange

Foreign denominated investments and other foreign denominated assets and liabilities are translated into Canadian dollars using the exchange rates prevailing on each valuation date. Purchases and sales of investments, as well as income and expense transactions denominated in foreign currencies, are translated using exchange rates prevailing on the date of the transaction. Foreign currency gains and losses are recognized in the Statement of Comprehensive Income.

(e) Revenue recognition

Interest income is recognized on an accrual basis using the effective interest method. Dividend income is recognized on the date that the right to receive payment is established, which for quoted equity securities is usually the ex-dividend date. Portfolio transactions are recorded on the trade date. Realized gains and losses arising from the sale of investments are determined using the average cost basis of the respective investments.

(f) Fees and commission expense

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

(g) Income taxes

The Fund is immune from income taxation in Canada under the Constitution Act. All of the Fund's net income for tax purposes and net capital gains realized in any period are required to be distributed to unitholders pursuant to the Regulations. Income taxes associated with any of the Fund's underlying investments are accounted for in determining the fair value of the respective investments.

(h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations as listed below are not yet effective for the year ended December 31, 2024, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Fund.

Effective on January 1, 2025:

- Lack of exchangeability – Amendments to IAS 21

Effective on January 1, 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

The following new standards are expected to impact the financial statement disclosures of the Fund. The extent of disclosure impact to the Fund is being assessed and has not yet been determined:

Effective on January 1, 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements

4. RELATED PARTY TRANSACTIONS

The Fund's related parties include BCI, QuadReal Property Group Limited Partnership and affiliates ("QuadReal"), the Province of British Columbia and related entities, investments where the Fund has a controlling interest or significant influence, entities with common ownership, and other related entities for which the Fund provides investment management services. QuadReal is an independently operated company, owned by BCI, which manages the Mortgage and Real Estate Programs pursuant to an Asset Management Agreement as agreed between BCI and QuadReal. The Fund had the following transactions with related parties during the year.

BCI Cost Recoveries

Third party costs that are attributable to the Fund are charged to the Fund. Other costs initially borne by BCI are recovered from the Fund on a cost recovery basis. BCI cost recoveries and corresponding payable are disclosed in the Statement of Comprehensive Income and Statement of Financial Position.

Investments

The Fund enters into investment transactions with related parties in the normal course of business. The terms of the respective purchases and sales are equivalent to those prevailing in an arm's length transaction, with each Fund's interests represented by different BCI personnel.

Where one Fund invests in another Fund, the unit issuances and redemptions are transacted on a basis equivalent to those in an arm's length transaction

Payable to BCI Segregated Funds

In January 2020, the Principal Credit Fund entered into agreements with segregated client accounts whereby the Fund received funding from the segregated client accounts to purchase and hold securities on its behalf. As the segregated client accounts are also managed by BCI, they have been classified as related parties. The agreements mature on an annual basis, at which point the Fund provides the required return based on the return of the Fund to the segregated client accounts and the Fund enters into new agreements with the same terms and counterparties as the previous agreements. At December 31, the agreements had a maturity date of January 2025. The agreements were renewed with the counterparties with the same terms and have a maturity date of January 2026. Neither party has earned or paid the counterparties any fees or interest in connection with either transaction.

The fair value of the payable to the segregated client funds of \$252,774 (2023 - \$155,532) has been recorded on the Statement of Financial Position.

Loans to Fixed Income program

During the year ended December 31, 2024, the Fund extended fixed term financing to the below entities managed by BCI which are classified as related parties. These transactions are governed by BCI's *Internal Transaction Directive*. The amounts in the table represent outstanding amounts as at December 31.

Borrowing entity	Initial principal financing commitment	December 31, 2024	December 31, 2023
Tarpon IMC LLC ¹	Up to \$891,000 USD	\$ 883,037	\$ 698,580
Thetis IMC LLC ¹	Up to \$720,000 USD	435,289	372,349
Thetis IMC LLC ¹	Up to \$480,000 USD	291,576	249,502
Total Loans to Fixed Income program		\$ 1,609,902	\$ 1,320,431

¹The borrowing entity is a segregated client account within the Fixed Income program. The Facilities earn a floating rate of return that is linked to the SOFR plus 4.65-5.23% and matures in October 2031.

Internal lending transactions between pools are not secured in that specific assets are not pledged by the borrowing pool to secure its obligations; however, the obligations of the borrowing pools are supported by assurances from BCI's Strategic Asset Allocation Department that client assets will be reallocated to the borrowing pool as necessary to ensure satisfaction of payment obligations at the end of the financing term.

Capital market debt financing

During the years ended December 31, 2024 and December 31, 2023, BCI issued senior unsecured medium term debt in respect of all assets under management that are held within pooled investment portfolios as defined under the Regulations, excluding real estate and real estate debt funds managed by BCI's wholly owned real estate and real estate debt asset management platform, QuadReal (collectively referred to as the "Combined Funds"). The capital raised from the capital market debt financing is used for general investment purposes. The Funding Program, a Fund within BCI's Fixed Income program, is the holder of the medium term debts and the associated proceeds, in respect of the Combined Funds. Recourse under the senior unsecured medium term debts, including upon the occurrence of an event of default, is limited to the assets of the Combined Funds including the Principal Credit Fund.

	December 31, 2024		December 31, 2023	
	Capital amounts payable at maturity	Fair value	Capital amounts payable at maturity	Fair value
Senior unsecured medium-term Canadian dollar note Series 1, bearing interest at 4.9% per annum and maturing on June 2, 2033	\$ 2,250,000	\$ 2,435,398	\$ 1,250,000	\$ 1,352,170
Senior unsecured medium-term Canadian dollar note Series 2, bearing interest at 3.4% per annum and maturing on June 2, 2030.	1,500,000	1,504,046	—	—
Total	\$ 3,750,000	\$ 3,939,444	\$ 1,250,000	\$ 1,352,170

On January 10, 2025, BCI issued an additional \$1,500,000 in Series 2 medium-term notes, bearing interest at 3.4% per annum and maturing on June 2, 2030. On May 13, 2025, BCI issued \$1,500,000 in Series 3 medium-term notes, bearing interest at 4.0% per annum and maturing on June 2, 2035.

5. REDEEMABLE UNITS

The Fund is authorized to issue an unlimited number of units. Units issued and outstanding represent the capital of the Fund. The Fund is not subject to any internally or externally imposed restrictions on its capital. BCI manages the capital of the Fund in accordance with the Fund's investment objectives, including managing the redeemable units to ensure a stable base to maximize returns to all investors, and managing liquidity in order to meet redemptions. The following is a summary of the changes in redeemable units outstanding during the year ended December 31:

	2024	2023
Outstanding, beginning of year	11,047.606	10,095.400
Issued for cash	1,688.331	2,219.188
Issued on reinvestment of distributions	745.296	530.512
Split (Consolidation) of units	(745.296)	(530.512)
Redeemed	(1,599.886)	(1,266.982)
Outstanding, end of year	11,136.051	11,047.606

6. UNFUNDED COMMITTED CAPITAL

Unfunded capital commitments represent total commitments minus net contributions outstanding as of the reporting date. Net contributions equals contributions less any recallable capital distributions. Recallable capital are distributions or previously contributed capital that has been returned, that may be recalled at some future date. Thus, due to changes in recallable capital, unfunded commitments may change at different reporting dates.

Furthermore, commitments to unlisted private debt investee funds and direct private equity investments are typically made in foreign denominated currencies, but reported in Canadian dollars. Unfunded commitments are translated at the spot rate and net contributions are translated at historical exchange rates. Therefore, due to foreign exchange movements, unfunded commitments will vary on the reporting date.

As at December 31, the Fund's contractual undiscounted cash commitments that can be called on demand are as follows:

	2024	2023
Principal Credit Fund	\$ 3,619,397	\$ 2,201,746

7. FINANCIAL RISK MANAGEMENT

(a) Risk management framework

The investment objective of the Fund is to exceed the returns relative to the Fund's benchmark, the S&P/LSTA U.S. Leveraged Loan 100 Index (the "Index") by 102 basis points per annum, net of all investment expenses incurred. The primary purpose for investing in the Fund is to capture illiquidity premium in the fixed income market.

The Fund can hold the following securities:

- Senior debt;
- Subordinated debt, and other fixed income investments, such as but not limited to: Mezzanine debt, private debt, asset backed debt, collateralized loan obligations, partnership interests, publicly traded shares of private debt pools/fixed income securities, other debt instruments, and/or externally managed funds;
- Equity and/or warrants associated with debt investments and/or fund manager companies and subsidiaries;
- Derivative instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management;
- Units in the Canadian Money Market Fund (ST1), Canadian Money Market Fund (ST2), US Dollar Money Market Fund (ST3), US Dollar Money Market Fund (ST4), and/or government debt securities, and other BCI short-term fixed income pooled funds for cash management purposes; and
- Units in BCI Floating Rate Funds

The following restrictions apply to the Fund:

- Investments are limited to companies whose countries are classified as a developed or emerging market by the Index;
- The Fund may not sell a security, other than a derivative instrument, which it does not own (i.e. a short sale), borrow securities; or purchase securities using a margin account;
- Leverage in the form of short-term borrowing is only permitted for the purpose of bridge financing until a Pool Opening date within one year;
- In meeting its fiduciary duty to all Unitholders, no private debt investments will be sold solely to meet a redemption request;
- at inception, counterparties to all over-the-counter derivative contracts are restricted to financial institutions that are rated A- or higher by Standard & Poor's or have an equivalent credit rating from another credit rating agency; and
- if any security or counterparty is downgraded below the approved credit standard, BCI has the discretion to determine the appropriate timing of the sale of any affected security or the termination of any affected derivative transaction to maximize sale proceeds.

The Fund holds its private debt investments through private corporations, limited partnerships and trusts. The private corporations, limited partnerships and trusts hold the following net assets:

	2024		2023	
	Total	% of Total	Total	% of Total
Cash	\$ —	0.0 %	\$ 6,256	0.0 %
Net investment-related receivables	151,722	1.0	83,443	0.6
Direct private debt investments	7,537,970	46.8	6,577,852	48.7
Direct private equity investments	22,248	0.1	22,190	0.2
Unlisted private debt investee funds	8,324,606	51.7	6,743,368	50.0
BCI money market funds	20,308	0.1	11,192	0.1
Corporate bonds	53,573	0.3	55,313	0.4
Total	\$ 16,110,427	100.0 %	\$ 13,499,614	100.0 %

The Fund's activities expose it to a variety of financial risks. For purposes of describing the financial risks of the Fund, the composition of underlying investments held by the Fund have been considered.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from debt securities held, and also from derivative financial assets, cash and other receivables due to the Fund. The carrying value of these financial instruments as recorded in the Statement of Financial Position reflects the Fund's maximum exposure to credit risk.

The Fund holds direct private debt investments and corporate bonds which are subject to credit risk. The remainder of the Fund's investments are in unlisted private debt investee funds. Due to the private nature of the debt investments held by these investee funds, they are not subject to rating by a rating agency.

As at December 31, the Fund invested in debt instruments and corporate bonds with the following security credit ratings.

INVESTMENTS BY CREDIT RATING	2024		2023	
	Total	% of Total	Total	% of Total
BB	\$ 39,350	0.5 %	\$ —	0.0 %
B	550,658	7.3	745,357	11.2
CCC	267,496	3.5	422,717	6.4
Not rated	6,734,039	88.7	5,465,091	82.4
Total	\$ 7,591,543	100.0 %	\$ 6,633,165	100.0 %

To avoid undue credit risk, BCI management has established specific investment criteria, such as minimum credit ratings for investees and counterparties. Counterparty risk represents the credit risk from current potential and future exposure related to transactions. In order to minimize counterparty risk, counterparties are required to provide adequate collateral and meet minimum credit rating requirements. BCI management frequently monitors the credit rating of its counterparties as determined by recognized credit rating agencies and assesses debt investments for impairment, including significant changes in credit risk. The Fund's cash is not subject to significant credit risk as exposure to credit risk is limited by holdings its cash with high credit quality financial institutions.

The Fund's activities may also give rise to settlement risk. Settlement risk is the risk of loss due to failure of an entity to honour its obligations to deliver cash, securities, or other assets prior to the settlement of the transaction as contractually agreed. All investment transactions are settled or paid upon delivery with approved brokers. The risk of default is mitigated since the delivery of securities sold is made simultaneously with the broker receiving payment. Payment is made on a purchase once the securities have been received by the broker. The trade fails if either party fails to meet its obligations.

The Fund invests in foreign currency contracts which inherently have counterparty risk. The credit risk of each counterparty is monitored through the evaluation of the credit quality of each counterparty that transactions with the Fund. The credit risk exposure of foreign currency instruments, by credit rating category, without taking account of any collateral held at December 31 is as follows:

DERIVATIVES BY CREDIT RATING	2024			2023		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Derivative Assets	Derivative Liabilities		Derivative Assets	Derivative Liabilities
AAA/AA	\$ 3,748,006	\$ 2,105	\$ (158,807)	\$ 3,139,616	\$ 58,959	\$ (3,672)
A	13,100,844	13,919	(487,034)	11,118,678	218,637	(5,382)
Total Derivatives	\$ 16,848,850	\$ 16,024	\$ (645,841)	\$ 14,258,294	\$ 277,596	\$ (9,054)

The Fund's other financial assets are not exposed to significant credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Fund's financial assets include direct private debt investments, direct private equity and unlisted private debt investee funds, which are generally illiquid. As a result, the Fund may not be able to liquidate some of its investments in these instruments in time to meet its obligations when they become due. However, the CIO may obtain funding from unitholders of the Fund through additional unit issuances to meet the Fund's ongoing liquidity requirements.

BCI's approach to managing liquidity risk is to ensure, as far as possible, that the Fund has sufficient liquidity to meet its liabilities when 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 limit that may be established by the 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.

The Fund's non-derivative liabilities are due within three months of the year-end of the Fund.

The following were the contractual maturities of derivative financial assets and derivative financial liabilities as at December 31:

	2024				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 16,024	\$ 16,024	\$ —	\$ —	\$ 16,024
Derivative liabilities	(645,841)	(645,841)	—	—	(645,841)
	\$ (629,817)	\$ (629,817)	\$ —	\$ —	\$ (629,817)

	2023				
	Carrying value	Less than 1 year	1 to 2 years	Over 2 years	Total
Derivative assets	\$ 277,596	\$ 277,596	\$ —	\$ —	\$ 277,596
Derivative liabilities	(9,054)	(9,054)	—	—	(9,054)
	\$ 268,542	\$ 268,542	\$ —	\$ —	\$ 268,542

The Fund's cash position is monitored on a daily basis. In general, investments in cash and BCI Money Market Funds are expected to be highly liquid. BCI management utilizes appropriate measures and controls to monitor liquidity risk in order to ensure that there is sufficient liquidity to meet financial obligations as they come due. The Fund's liquidity position is monitored daily by taking into consideration future forecasted cash flows. This helps to ensure that sufficient cash reserves are available to meet forecasted cash outflows.

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and equity prices will affect the Fund's income or the fair value of its holdings of financial instruments. The Fund's strategy for the management of market risk is driven by the Fund's investment objective.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate as a result of changes in market interest rates.

Money market investments, private debt investments and corporate bonds are subject to interest rate risk. The Fund has established duration bands based on its relevant benchmark to avoid undue active interest rate risk. Money market funds invest in short-term investments and have low interest rate risk. The Fund has indirect interest rate risk exposure through unlisted private debt investee funds.

The Fund's directly held private debt instruments and corporate bonds are comprised of variable rate debt instruments, and 14 (2023: 8) fixed rate debt instruments, with maturities ranging up to 39 years (2023 - 15 years). Lending rates are generally based on SOFR plus a risk and liquidity premium. As a result, the Fund is not exposed to significant interest rate fair value risk. As at December 31, the Fund invested in the following direct private debt investments and corporate bonds:

	2024			2023		
	Carrying Value	Interest Rate	Maturity Date	Carrying Value	Interest Rate	Maturity Date
Fixed rate debt	\$ 639,919	7.0% to 18.8%	2025 to 2032	\$ 465,564	8.8% to 18.8%	2024 to 2031
Variable-rate debt	\$ 6,951,624	1.0% to 19.9%	2025 to 2063	\$ 6,167,601	1.0% to 16.0%	2024 to 2038

(ii) Currency risk

At December 31, the carrying value of the Fund's net financial assets and financial liabilities held in individual foreign currencies expressed in Canadian dollars and as a percentage of its net assets were as follows. The table includes foreign currency contracts.

CURRENCY	2024				
	Net Investments and Investment-Related Receivables	Net Foreign Currency Contracts Receivables/(Payables)	Net Exposure	% of Total Net Assets	
Australian Dollar	\$ 90,712	\$ (91,088)	\$ (376)	0.0 %	
British Pound Sterling	255,452	(323,436)	(67,984)	(0.4)	
Euro	3,458,986	(3,458,471)	515	0.0	
United States Dollar	13,391,686	(12,975,855)	415,831	2.4	
Net Foreign Exchange Exposure	\$ 17,196,836	\$ (16,848,850)	\$ 347,986	2.0 %	

CURRENCY	2023				
	Net Investments and Investment-Related Receivables	Net Foreign Currency Contracts Receivable/(Payable)	Net Exposure	% of Total Net Assets	
Australian Dollar	\$ 64,576	\$ (60,468)	\$ 4,108	0.0 %	
British Pound Sterling	138,420	(122,087)	16,333	0.1	
Euro	2,473,256	(2,538,153)	(64,897)	(0.4)	
United States Dollar	11,198,810	(11,537,586)	(338,776)	(2.2)	
Net Foreign Exchange Exposure	\$ 13,875,062	\$ (14,258,294)	\$ (383,232)	(2.5)%	

As at December 31, 2024, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, net assets would have decreased/increased, by \$3,480 (2023 - \$(3,832)), representing 0.0% of the Fund's net assets (2023 - 0.0%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

As at December 31, the Fund had additional exposure to currency risk through its future unfunded commitments in individual foreign currencies expressed in Canadian dollars as follows.

CURRENCY		2024	2023
Australian Dollar	\$	2,852	\$ —
British Pound Sterling		15,462	2,489
Euro		598,249	115,726
United States Dollar		2,972,514	1,752,003
Net foreign currency exposure through unfunded capital commitments	\$	3,589,077	\$ 1,870,218

As at December 31, 2024, if the Canadian dollar had strengthened/weakened by 1% in relation to all other currencies, holding all other variables constant, future unfunded commitments would have decreased/increased, by \$35,891 (2023 - \$18,702). In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

The unfunded committed capital related to the Fund is described in note 6 of the financial statements.

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

All financial instruments are subject to other price risk and a potential loss of capital. The maximum risk is determined by the market value of the financial instruments. There are established investment criteria for the Fund related to diversification of investments and investment mandates for external managers to avoid undue market risk.

Direct investments in the Fund are diversified across industry sectors. Sectors to which the Fund had exposure as at December 31 are as follows:

INDUSTRY SECTOR	2024		2023	
	Total	% of Total	Total	% of Total
Direct Private Equity, Direct Private Debt and Corporate Bond Investments				
Consumer Discretionary	\$ 699,834	4.4 %	\$ 627,196	4.7 %
Consumer Staples	359,070	2.3	259,460	1.9
Education	108,923	0.7	101,604	0.8
Energy	253,553	1.6	525,363	3.9
Financials	1,315,634	8.1	798,340	5.9
Health Care	1,524,808	9.6	1,436,391	10.7
Industrials	1,886,798	11.8	1,260,852	9.4
Information Technology	698,440	4.4	940,096	7.0
Materials	298,015	1.9	304,260	2.3
Other	57,025	0.4	55,968	0.4
Real Estate	145,121	0.9	133,185	1.0
Services	158,888	1.0	149,037	1.1
Telecommunication Services	107,682	0.7	63,603	0.5
	7,613,791	47.8	6,655,355	49.6
Total Unlisted Private Debt Investee Funds in diversified industries	8,324,606	52.2	6,743,368	50.4
Total	\$ 15,938,397	100.0 %	\$ 13,398,723	100.0 %

As at December 31, the Fund's direct private debt investments, direct private equity investments, corporate bonds, and unlisted private debt investee funds are concentrated in the following geographic regions:

GEOGRAPHIC REGION	2024		2023	
	Total	% of Total	Total	% of Total
Direct Private Equity, Direct Private Debt and Corporate Bond Investments				
Australia	\$ 79,622	0.5 %	\$ 62,874	0.5 %
Canada	657,995	4.1	943,474	7.0
Cayman Islands	71,191	0.4	—	0.0
Finland	39,350	0.2	37,321	0.3
Germany	106,163	0.7	85,815	0.6
India	198,777	1.2	168,493	1.3
New Zealand	49,228	0.3	44,701	0.3
Spain	140,288	0.9	119,302	0.9
Switzerland	38,703	0.2	38,058	0.3
United Kingdom	544,155	3.4	115,380	0.9
United States	5,688,319	35.8	5,039,937	37.5
	7,613,791	47.7	6,655,355	49.6
Total Unlisted Private Debt Investee Funds diversified globally	8,324,606	52.3	6,743,368	50.4
Total	\$ 15,938,397	100.0 %	\$ 13,398,723	100.0 %

As at December 31, 2024, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by approximately \$1,791,062 (2023 - \$1,510,980), representing 10.5% (2023 - 9.9%) of the Fund's net assets attributable to holders of redeemable units.

Actual trading results may differ from the above sensitivity analysis and the difference could be material.

8. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Valuation models

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Fund uses widely recognized valuation methods for determining the fair value of common and more simple financial instruments such as foreign currency contracts and money market instruments that use only observable market data which requires little management judgment and estimation. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exists and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other factors used in estimating discount rates, money market prices, and foreign currency exchange rates in estimating valuations of foreign currency contracts.

Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives and simple OTC derivatives. The availability of observable market prices and model inputs reduces the need for management judgment and estimation and reduces the uncertainty associated with the determination of fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

(b) Valuation framework

When third party information, such as broker quotes or pricing services, is used to measure fair value, then management assesses and documents the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of IFRS Accounting Standards. This includes:

- verifying that the broker or pricing service is approved by the Fund for use in pricing the relevant type of financial instrument;
- understanding how the fair value has been arrived at and the extent to which it represents actual market transactions;
- when prices for similar instruments are used to measure fair value, how these prices have been adjusted to reflect the characteristics of the instrument subject to measurement; and
- if a number of quotes for the same financial instrument have been obtained, then how fair value has been determined using those quotes.

(c) Fair value hierarchy

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1 inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 inputs other than quoted prices included within Level 1 that are observable either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 inputs that are unobservable.

The Fund holds its investments through either private corporation, limited partnerships, or trusts which are measured based on the fair value of the underlying investments of these entities, using a net asset value ("NAV") approach. The NAV fair value are considered Level 3 in the fair value hierarchy.

The table below further discloses the underlying components which in aggregate comprise the NAV of the Fund's investments as described above measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized. All fair value measurements are recurring.

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 (All amounts expressed in thousands of dollars, unless otherwise noted)

	2024				2023			
	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total	Level 1 (Quoted Price in Active Market)	Level 2 (Significant Observable Inputs)	Level 3 (Significant Unobservable Inputs)	Total
Cash	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,256	\$ —	\$ 6,256
Net investment-related receivables	—	151,722	—	151,722	—	83,443	—	83,443
Direct private debt investments	—	1,268,442	6,269,528	7,537,970	—	1,235,951	5,341,901	6,577,852
Unlisted private debt investee funds	—	—	8,324,606	8,324,606	—	—	6,743,368	6,743,368
Direct private equity investments	—	—	22,248	22,248	—	—	22,190	22,190
BCI money market funds	—	210,597	—	210,597	—	300,949	—	300,949
Corporate bonds	—	53,573	—	53,573	—	55,313	—	55,313
Loans to Fixed Income program	—	1,609,902	—	1,609,902	—	1,320,431	—	1,320,431
Total Investments	\$ —	\$ 3,294,236	\$ 14,616,382	\$ 17,910,618	\$ —	\$ 3,002,343	\$ 12,107,459	\$ 15,109,802
Forwards, net	—	(629,817)	—	(629,817)	—	268,542	—	268,542
Payable to BCI segregated funds	—	(252,774)	—	(252,774)	—	(155,532)	—	(155,532)
Total	\$ —	\$ 2,411,645	\$ 14,616,382	\$ 17,028,027	\$ —	\$ 3,115,353	\$ 12,107,459	\$ 15,222,812

During 2024 and 2023, there were no significant transfers between Level 1 and Level 2.

The carrying amount of the Fund's net assets attributable to holders of redeemable units also approximates fair value as they are measured at redemption amount and are classified as Level 2 in the fair value hierarchy.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

	2024			
	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Debt Investee Funds	Total
Opening balance, beginning of year	\$ 22,190	\$ 5,341,901	\$ 6,743,368	\$ 12,107,459
Total gains recognized in profit or loss	58	1,136,199	113,232	1,249,489
Purchases	—	2,404,959	4,422,711	6,827,670
Transfers	—	(140,508)	—	(140,508)
Sales	—	(2,473,023)	(2,954,705)	(5,427,728)
Closing balance, end of year	\$ 22,248	\$ 6,269,528	\$ 8,324,606	\$ 14,616,382
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date	\$ 58	\$ 410,122	\$ 52,893	\$ 463,073

2023							
		Direct Private Equity Investments		Direct Private Debt Investments		Unlisted Private Debt Investee Funds	Total
Opening balance, beginning of year	\$	—	\$	2,533,698	\$	5,994,987	\$ 8,528,685
Total gains recognized in profit or loss		3,282		1,736,990		161,003	1,901,275
Purchases		19,331		1,460,855		1,748,499	3,228,685
Transfers		—		1,137,738		—	1,137,738
Sales		(423)		(1,527,380)		(1,161,121)	(2,688,924)
Closing balance, end of year	\$	22,190	\$	5,341,901	\$	6,743,368	\$ 12,107,459
Total unrealized gains for the year included in profit or loss related to level 3 investments held at the reporting date							
	\$	3,282	\$	368,706	\$	549,325	\$ 921,313

During 2024, due to changes in market conditions for certain direct private debt investments, broker quotes became available for these investments. Therefore, these investments, with an amount of \$140,508, were transferred from Level 3 to Level 2. During 2023, the unavailability of broker quotes led to the transfer of these investments, with an amount of \$1,137,738, from Level 2 to Level 3.

Significant Unobservable Inputs Used in Measuring Fair Value

The following table sets out information about significant unobservable inputs used at year-end in measuring the fair value of investments categorized as Level 3 in the fair value hierarchy as at:

2024							
	Fair Value	Valuation Technique	Unobservable Input	Amount/ Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input	
Direct Private Equity Investments	\$ 22,248	Net Asset Value	Net Asset Value	\$ 22,248	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Direct Private Debt Investments	\$ 1,410,330	Net Asset Value	Net Asset Value	\$ 1,410,330	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Direct Private Debt Investments	\$ 102,351	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 102,351	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).	
Direct Private Debt Investments	\$ 750,595	Transaction Price	N/A	N/A	N/A	N/A	
Direct Private Debt Investments	\$ 32,632	Market approach	Revenue multiple	1.0x	N/A	The estimated fair value would increase (decrease) if the revenue multiple was higher (lower).	
Direct Private Debt Investments	\$ 134,640	Market approach	EBITDA multiple	6.5x - 7.0x	6.7x	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).	
Direct Private Debt Investments	\$ 3,838,980	Discounted Cash Flows	Discount rate	2.9% - 19.5%	10.4%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).	
Unlisted Private Debt Investee Funds	\$ 8,324,100	Net Asset Value	Net Asset Value	\$ 8,324,100	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).	
Unlisted Private Debt Investee Funds	\$ 506	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 506	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).	

2023

	Fair Value	Valuation Technique	Unobservable Input	Amount/Range	Weighted Average	Sensitivity to Change in Significant Unobservable Input
Direct Private Equity Investments	\$ 22,190	Net Asset Value	Net Asset Value	\$ 22,190	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 712,041	Net Asset Value	Net Asset Value	\$ 712,041	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Direct Private Debt Investments	\$ 288,510	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 288,510	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Direct Private Debt Investments	\$ 679,341	Transaction Price	N/A	N/A	N/A	N/A
Direct Private Debt Investments	\$ 61,319	Market approach	EBITDA multiple	7.8x	N/A	The estimated fair value would increase (decrease) if the EBITDA multiple was higher (lower).
Direct Private Debt Investments	\$ 3,600,690	Discounted Cash Flows	Discount rate	8.5% - 19.3%	11.2%	The estimated fair value would increase (decrease) if the discount rate was lower (higher).
Unlisted Private Debt Investee Funds	\$ 5,166,372	Net Asset Value	Net Asset Value	\$ 5,166,372	N/A	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Unlisted Private Debt Investee Funds	\$ 1,576,996	Adjusted Net Asset Value	Adjusted Net Asset Value	\$ 1,576,996	N/A	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).

Significant unobservable inputs are developed as follows:

EBITDA multiples:

EBITDA multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its EBITDA. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Revenue multiples:

Revenue multiples are selected from comparable public companies and transactions in private companies based on geographic location, industry, size, target markets, and other factors that management considers to be reasonable. The trading multiples for the comparable companies are determined by dividing the enterprise value of the company by its revenue. Multiples may be adjusted for considerations such as the lack of marketability and other differences between the comparable peer group and specific company.

Net Asset Value:

Represents the net asset value of direct private equity and debt investments and unlisted private debt investee funds. BCI management values these investments primarily based on the latest available financial information provided by their general partners.

Adjusted Net Asset Value:

Represents the adjusted net asset value of direct private debt investments and unlisted private debt investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners, adjusted based on judgment, on an investee by investee basis, through review of information received from underlying investees and other sources.

In certain cases, when investments are held through funds, partnerships or similar structures, fair value is determined by third parties where valuation information is not available to BCI management.

Discount Rate:

Represents the discount rate applied to the projected future cash flows of each investment. Discount rates and projected cash flows are based on various investment-specific and macroeconomic inputs and assumptions. Discount rates are adjusted to reflect the risk inherent in the projected cash flows.

Transaction Price:

When fair value is determined based on recent transaction information, this value is the most representative indication of fair value. Consequently, no sensitivity analysis has been performed.

Effects of Unobservable Input on Fair Value Measurement

Certain direct private equity investments, direct private debt investments and unlisted private debt investee funds are valued based on information received from external managers. The fair value of these investments fluctuates in response to changes in specific assumptions for that particular investee as determined by the external manager.

For certain direct private debt investments and unlisted private debt investee funds, BCI management, in addition to performing its own analysis, engages third party independent valuers to assist in BCI management's determination of the fair value. The fair value of these investments may fluctuate in response to changes in specific assumptions for the key unobservable inputs.

Although the Fund believes that its estimates of fair value in Level 3 are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value and net assets attributable to the holders of redeemable units.

The following table shows how net assets attributable to holders of redeemable units would change if:

- i. the valuation of certain direct private debt investments were calculated by recalibrating the model values using unobservable inputs based on the upper and lower threshold of the respective investment's range of possible estimates; and
- ii. the fair value of remaining underlying investments were adjusted by 10%

	2024	2023
Favourable	\$ 1,238,446	\$ 935,187
Unfavourable	\$ (1,233,373)	\$ (916,821)

(d) Financial instruments not measured at fair value

The carrying value of cash, interest receivable, other receivables, BCI cost recoveries payable, and other accounts payable approximates their fair value given their short-term nature. These financial instruments are classified as Level 2 in the fair value hierarchy because while prices are available, there is no active market for these instruments.

9. INVOLVEMENT WITH STRUCTURED ENTITIES

The Fund holds interests in structured entities, both directly and indirectly (i.e. through intermediary holding corporations or limited partnerships, or both). Structured entities are entities that have been designed so that voting or other similar rights are not the dominant factor in determining who controls the entity. Structured entities have been set up to manage legal, tax and other risks that may arise in the course of administering the underlying investments.

Structured entities are comprised of investee funds administered by BCI which are organized as unit trusts; and investee funds administered by third party managers which are organized as limited partnerships. All of these investee funds have been constituted to manage assets on behalf of third party investors and are financed through the issuance of units to investors or capital contributions made by the investors. Accordingly, the Fund's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest. The tables below set out the direct and indirect interests held by the Fund in structured entities:

Entity	2024			2023		
	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position	Number of Investee Funds	Total Net Assets of Investee Funds	Carrying amount included in Investments in the Statement of Financial Position
Investee money market funds administered by BCI	2	\$ 4,548,961	\$ 210,597	2	\$ 5,517,918	\$ 300,949
Unlisted private debt investee funds administered by third party managers	18	\$ 14,781,619	\$ 8,324,606	14	\$ 10,019,066	\$ 6,743,368

The carrying amount of the investments held in these underlying funds represents the Fund's maximum exposure to loss. During 2024 and 2023, the Fund did not provide financial support to these structured entities and has no intention of providing financial or other support.

10. TAXES

Net cumulative capital losses and non-capital losses for the Fund are as follows as of December 31, 2024:

	Net Capital Losses	Non Capital Losses
Principal Credit Fund	\$ 843,739	\$ —

Net capital losses are available to be carried forward indefinitely and applied against future net realized capital gains. Non-capital losses may be carried forward up to 20 years to reduce future taxable income.

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