INFRASTRUCTURE & RENEWABLE RESOURCES

Program Financial Statements

DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT

To the Directors of British Columbia Investment Management Corporation (the "Manager")

Opinion

We have audited the combined financial statements of the Infrastructure & Renewable Resources Program (the "Program"), which comprise:

- the combined statement of financial position as at December 31, 2023
- the combined statement of comprehensive income for the year then ended
- the combined statement of changes in net assets of the Program for the year then ended
- the combined 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 combined financial position of the Program as at December 31, 2023, and its combined financial performance and its combined 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 Program 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 Program'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 Program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Program'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 Program'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 Program 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 24, 2024

INFRASTRUCTURE AND RENEWABLE RESOURCES PROGRAM

Combined Statement of Financial Position

(Expressed in millions of Canadian dollars)

As at December 31, 2023, with comparative information for 2022

Assets	**NOTES**	**2023**	**2022**
Cash		$ 4	$ 66
Other receivables		5	77
Derivative assets:			
Forwards	5	281	28
Investments	4	26,361	22,655
Total assets		26,651	22,826
Liabilities			
BCI cost recoveries payable	8	7	6
Other payables		2	17
Derivative liabilities:			
Forwards	5	33	669
Payable to BCI pooled investment portfolio	8	285	66
Total liabilities		327	758
Program net assets		**$ 26,324**	**$ 22,068**
Unfunded committed capital	6		

[S] Gordon J. Fyfe

Gordon J. Fyfe
Chief Executive Officer
Chief Investment Officer

INFRASTRUCTURE AND RENEWABLE RESOURCES PROGRAM

Combined Statement of Comprehensive Income

(Expressed in millions of Canadian dollars)

Year ended December 31, 2023, with comparative information for 2022

Revenue	NOTES	2023	2022
Investment income		$ 2,103	$ 823
Other income		11	—
Net change in fair value of investments		(368)	1,274
Total revenue		1,746	2,097
Expenses			
BCI cost recoveries	8	77	54
Other expenses		36	19
Total expenses		113	73
Increase in net assets of the Program		**$ 1,633**	**$ 2,024**

INFRASTRUCTURE AND RENEWABLE RESOURCES PROGRAM

Combined Statement of Changes in Net Assets of the Program

(Expressed in thousands of Canadian dollars)

Year ended December 31, 2023, with comparative information for 2022

	2023	2022
Balance, beginning of year	$ 22,068	$ 20,244
Increase in net assets of the Program	1,633	2,024
Net client contributions (distributions)	2,623	(200)
Balance, end of year	**$ 26,324**	**$ 22,068**

INFRASTRUCTURE AND RENEWABLE RESOURCES PROGRAM

Combined Statement of Cash Flows

(Expressed in millions of Canadian dollars)

Year ended December 31, 2023, with comparative information for 2022

Operating activities	NOTES	2023	2022
Increase in net assets of the Program [a]		$ 1,633	$ 2,024
Adjustments for:			
Net change in fair value of investments		368	(1,274)
Net purchase of investments		(4,963)	(358)
Other receivables		72	(16)
Other payables		(15)	16
BCI cost recoveries payable		1	2
Net cash flows provided by (used in) operating activities		(2,904)	394
Financing activities			
Proceeds from clients contributions		4,474	2,019
Distributions paid to clients		(1,851)	(2,219)
Repayment of payable to BCI pooled investment portfolio		(66)	(200)
Proceeds from payable to BCI pooled investment portfolio		285	66
Net cash flows provided by (used in) financing activities		2,842	(334)
Net increase (decrease) in cash		(62)	60
Cash, beginning of year		66	6
Cash, end of year		**$ 4**	**$ 66**

(a) Increase (decrease) in net assets of the Program for the year ended December 31, 2023 includes interest received and interest income of $109 (2022 - $107) and dividend received and dividend income of $1,994 (2022 - $716).

(All amounts expressed in millions of Canadian dollars)

1. THE PROGRAM

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. In accordance with the Act, BCI is responsible for managing amounts that are transferred to it in the best interests of the contributors and beneficiaries, which include: public sector pension funds; the Province of British Columbia; provincial government bodies (Crown corporations and institutions); and publicly administered trust funds (collectively, “Clients”). The assets under management are held by BCI as agent for its Clients and may consist of units in one or more pooled investment portfolios (the “Funds”, individually referred to as a “Fund”), whose assets are managed and held by BCI as trustee. In addition, assets under management by BCI also include assets held directly in Clients’ accounts or in structured entities which are outside of the Funds.

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.

To help to ensure BCI’s clients are able to meet their risk adjusted return objectives, BCI offers clients different investment options across a range of distinct asset classes, which are: Fixed Income, Public Equity, Private Equity, Infrastructure & Renewable Resources, Real Estate, and Real Estate Debt. BCI’s organizational structure reflects this distinction, as each asset class or program exhibits common control, with each program having a separate management team charged with managing the assets within the program to one or more specific mandates.

The Infrastructure Program was established in 2005 to offer clients the ability to gain long-term exposure to global infrastructure assets. In 2013, BCI created the Renewable Resource Program to focus on investing in forestry, agriculture, and other renewable assets. In 2020, the Infrastructure Program and the Renewable Resource Program were consolidated to create the Infrastructure and Renewable Resources Program (“I&RR” or “the Program”). In 2021, the Program was restructured to provide an Open Participation rather than Fixed Participation structure for most existing and all future investments ensuring a more diversified Program investment mix is available for clients.

The purpose of these combined financial statements is to provide users with information about the combined net assets under management of the Program. The Program as presented in these combined financial statements does not constitute a legal entity.

Included below are the investment entities that comprise the Program, as well as the corresponding dates by which they were established:

Name	Dates Established
Bolsena Fund	December 23, 2004
Bolsena (Australia) Fund	December 24, 2015
Bolsena (Public) Fund	March 17, 2020
Renewable Resources Investment Fund	May 19, 2005
Various IRR Structured Entities and Individual Investments	Various

2. BASIS OF PRESENTATION

(a) Statement of compliance

BCI used the same accounting policies and valuation methods used for the preparation of these combined financial statements as those used by the Funds in the preparation of the respective Fund financial statements, which are in accordance with IFRS Accounting Standards. These accounting policies have been disclosed under *Note 3*, *Material accounting policies*. These combined financial statements were authorized for by the Chief Executive Officer / Chief Investment Officer on June 24, 2024.

(b) Accounting for investments

The Program 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 combined financial statements have been prepared on a historical cost basis except for Investments, Derivative financial instruments and Payable to BCI pooled investment portfolio, which are measured at fair value.

(d) Functional and presentation currency

These combined financial statements are presented in Canadian dollars, which is the Program’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, revenue 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.

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 4, Investments*. 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 combined 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 Program became party to the contractual provisions of the instrument. The Program 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 Program 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 Program 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 Program changes its business models 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 Program 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 Program 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 Combined 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 Program'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 Program's financial assets and liabilities:

FINANCIAL ASSET OR LIABILITY	CLASSIFICATION
Investments	FVTPL
Derivative financial instruments	FVTPL
Payable to BCI pooled investment portfolio	FVTPL
Cash	Amortized cost
Other receivables	Amortized cost
BCI cost recoveries payable	Amortized cost
Other payables	Amortized cost

(b) Foreign exchange

Foreign currency denominated financial 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 Combined Statement of Comprehensive Income.

(c) Revenue recognition

Investment income is made up of interest income and dividend income. 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.

Net change in fair value of investments includes gains (losses) on the disposal of financial assets and financial liabilities as well as gains (losses) which reflect the change in unrealized appreciation of financial assets held at the end of the reporting period.

(d) 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 Program in the period incurred.

(e) Income taxes

The Program's investment entities are non-taxable in Canada. Income taxes associated with any of the Program's underlying investments are accounted for in determining the fair value of the respective investments.

(f) 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, 2023, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the combined financial statements of the Program.

Effective on January 1, 2024:

- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Non-current liabilities with covenants (Amendments to IAS 1)
- Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)

Effective on January 1, 2025:

- Lack of exchangeability – Amendments to IAS 21

4. INVESTMENTS

a. Classes of investments

Infrastructure and related investments typically include large-scale physical assets that provide essential services to societies. These services are key in allowing for operational efficiencies and achieving economic growth and development. Typical investment areas include:

- Utilities providing water, electricity, gas, and wastewater treatment services;
- Energy, including pipeline transmission and storage;
- Transportation, including roads, railways, bridges, airports, and port terminals; and
- Communications, including telecom towers, data centres, and fibre optic cables.

Renewable resources and related investments typically include physical assets that are used in the production, storage, and distribution of food, wood-based, and other agricultural products. These are critical assets that support global demand driven by population growth and increased economic mobility. Renewable resources assets targeted by the Program are primarily focused on timberlands and farmlands. The Program may also target other renewable resources assets, such as those used in the generation of hydroelectric, wind, biomass, and solar energies and related investments.

The Program primarily invests directly in privately held companies, but also invests selectively through private limited partnerships managed by external fund managers. The Program's investments are comprised of direct equity and debt investments, fund investments through structured entities, and derivative financial instruments. These classes of financial assets and liabilities are discussed in more detail below.

(i) Direct investments

Public equity investments may consist of the following securities: common shares, American depository receipts, global depository receipts, participation notes, preferred shares, income trust units, exchange traded funds units, pooled funds units, and securities convertible into common shares of publicly listed issuers. Public equity investments are usually undertaken with the intent to later privatize, or to maintain exposure to companies that own certain real assets but may not be investable in private markets at attractive valuations.

Direct private equity and direct private debt investments can be made independently, or with other partners (co-sponsorships or co-investments). These investments are privately negotiated transactions involving private, and on occasion, public companies. Investments consist primarily of equity, debt, or hybrid securities of investee companies.

(ii) Investments in structured entities

The Program 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. The Program's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest.

(iii) Derivative financial instruments

Derivative financial instruments are financial contracts that are settled at a future date. The value of such instruments is derived from changes in the value of the underlying assets, interest or exchange rates. The Program has the ability to invest in derivative financial instruments for the purposes of synthetic indexing, risk control, lowering transaction costs, and/or liquidity management.

The Program currently uses only one type of derivative financial instrument to manage risks associated with fluctuations in foreign currencies. A forward contract is a commitment to buy or sell an asset at a future date at a price agreed to at the contract's initiation. These contracts typically do not require an initial investment. Notional values of derivative financial instruments are not recognized as financial assets or liabilities as these values 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 Program's exposure to credit or market risk.

b. Valuation framework

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 Program 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.

For more complex instruments, such as private equity and debt, the Program uses proprietary valuation models, which are usually developed from recognized valuation methods. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates, or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgment and estimation in the determination of fair value. Management judgment and estimation are usually required for the selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of the probability of counterparty default and prepayments, and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors, such as liquidity risk or model uncertainties; to the extent that the Program believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Program and the counterparties where appropriate.

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 Program 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 Program 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 Program 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 Program holds its investments through either private corporation, or limited partnerships 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 Program’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.

(All amounts expressed in millions of Canadian dollars)

	2023				2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Direct investments								
Public Equity Investments	$ 586	$ —	$ —	$ 586	$ 208	$ —	$ —	$ 208
Direct Private Equity Investments	—	—	18,293	18,293	—	—	15,736	15,736
Direct Private Debt Investments	—	—	3,538	3,538	—	—	4,084	4,084
	586	**—**	**21,831**	**22,417**	**208**	**—**	**19,820**	**20,028**
Investments in structured entities								
Unlisted Private Equity Investee Funds	—	—	4,674	4,674	—	—	3,863	3,863
BCI Money Market Funds	—	12	—	12	—	12	—	12
	—	**12**	**4,674**	**4,686**	**—**	**12**	**3,863**	**3,875**
Debts								
Debt issued	—	(836)	—	(836)	—	(1,248)	—	(1,248)
Investment-related assets								
Cash and cash equivalents	—	11	—	11	—	—	—	—
Net investment-related receivables	—	83	—	83	—	—	—	—
	—	**94**	**—**	**94**	**—**	**—**	**—**	**—**
Total investments	**$ 586**	**$ (730)**	**$ 26,505**	**$ 26,361**	**$ 208**	**$ (1,236)**	**$ 23,683**	**$ 22,655**
Derivative financial instruments								
Forwards, net	—	248	—	248	—	(641)	—	(641)
Payable to BCI pooled investment portfolio	—	(285)	—	(285)	—	(66)	—	(66)
Total	**$ 586**	**$ (767)**	**$ 26,505**	**$ 26,324**	**$ 208**	**$ (1,943)**	**$ 23,683**	**$ 21,948**

During 2023, and 2022, there were no significant transfers between Level 1 and Level 2.

d. Level 3 reconciliation

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.

	Direct Private Equity Investments	Direct Private Debt Investments	Unlisted Private Equity Investee Funds	Total
Balance at 1 January 2022	**$ 13,939**	**$ 3,466**	**$ 2,882**	**$ 20,287**
Total gains recognized in profit or loss	1,172	348	450	1,970
Purchases	1,197	425	745	2,367
Sales	(572)	(155)	(214)	(941)
Balance at 31 December 2022	**$ 15,736**	**$ 4,084**	**$ 3,863**	**$ 23,683**
Total gains recognized in profit or loss	383	(643)	(51)	(311)
Purchases	3,291	746	1,006	5,043
Sales	(1,117)	(649)	(144)	(1,910)
Balance at 31 December 2023	**$ 18,293**	**$ 3,538**	**$ 4,674**	**$ 26,505**

Change in unrealized gains (losses) for the year on investments still held at the end of year was as follows:

31 December 2022	$ 1,038	$ 115	$ 394	$ 1,547
31 December 2023	$ (217)	$ (622)	$ 77	$ (762)

During 2023, and 2022, there were no significant transfers into or out of Level 3.

(All amounts expressed in millions of Canadian dollars)

e. 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 December 31:

	2023			2022				
	Fair Value	**Amount/ Range**	**Weighted Average**	**Fair Value**	**Amount/ Range**	**Weighted Average**	**Valuation Technique**	**Unobservable Input**
Direct Private Equity Investments	$ 1,183	$ 1,183	N/A	$ 1,541	$ 1,541	N/A	Net Asset Value	Net Asset Value
Direct Private Equity Investments	1,891	$ 1,891	N/A	—	—	N/A	Adjusted Net Asset Value	Adjusted Net Asset Value
Direct Private Equity Investments	3,465	$ 3,465	N/A	1,348	$ 1,348	N/A	Transaction Price	N/A
Direct Private Equity Investments	11,754	6.0% - 17.0%	9.1%	12,847	5.8% - 14.8%	9.2%	Discounted Cash Flows	Discount rate
Unlisted Private Equity Investee Funds	2,418	$ 2,418	N/A	1,983	$ 1,983	N/A	Net Asset Value	Net Asset Value
Unlisted Private Equity Investee Funds	2,256	$ 2,256	N/A	1,880	$ 1,880	N/A	Adjusted Net Asset Value	Adjusted Net Asset Value
Direct Private Debt Investments	953	$ 953	N/A	826	$ 826	N/A	Transaction Price	N/A
Direct Private Debt Investments	2,585	6.0% - 17.0%	10.3%	3,258	5.8% - 14.8%	10.1%	Discounted Cash Flows	Discount rate

Unobservable inputs development and sensitivity:

Unobservable Input	**Significant unobservable inputs are developed as follows**	**Sensitivity to Change in Significant Unobservable Input**
Net Asset Value:	Represents the net asset value of direct private equity investments and unlisted private equity investee funds. BCI management values these funds primarily based on the latest available financial information provided by their general partners. 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. The unlisted private equity investee funds are subject to redemption restrictions and accordingly the Fund is unable to dispose of the investee until the maturity or wind up and liquidation of the respective investee. In such cases, it is the Funds' policy to categorize the investee as Level 3 within the fair value hierarchy.	The estimated fair value would increase (decrease) if the net asset value was higher (lower).
Adjusted Net Asset Value:	Represents the adjusted net asset value of direct private equity and unlisted private equity 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.	The estimated fair value would increase (decrease) if: - the net asset value was higher (lower); - the fair value adjustment was lower (higher).
Transaction price:	When fair value is determined based on recent transaction information, this value is the most representative indication of fair value.	N/A
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.	The estimated fair value would increase (decrease) if the discount rate was lower (higher).

f. Effects of unobservable inputs on fair value measurement

Certain direct private equity investments and unlisted private equity 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 and direct private equity investments, BCI engages third party independent valuators to estimate the fair market value. The valuators produce comprehensive reports for each applicable investment. The fair value of these investments fluctuates in response to changes in specific assumptions for the key unobservable inputs.

Although BCI 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 program net assets.

The following table shows how net assets of the Program would change if:

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

	2023	2022
Favourable	$ 2,819	$ 2,032
Unfavourable	(2,595)	(2,011)

5. FINANCIAL RISK MANAGEMENT

(a) Risk management framework

The Program's overall risk management program seeks to minimize the potentially adverse effect of risk on the Program's financial performance in a manner consistent with the investment objectives. The mandates and investment policies are described below. The performance objective of the Program is to exceed the benchmark, the nominal cost of capital of 6.3%, by 63 basis points ("bps") per annum, net of all investment expenses incurred.

In the normal course of business, the Program is exposed to financial risks including credit risk, liquidity risk, and market risk (including interest rate, currency and other price risks).

(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 Program, resulting in a financial loss to the Program. Credit risk may arise from an investment's exposure to debt instruments and the risks that could impact the borrower's ability to repay its contractual obligations. The carrying value of these financial instruments as recorded in the Combined Statement of Financial Position reflects the Program's maximum exposure to credit risk.

The Program holds private debt investments which are subject to credit risk. Due to the private nature of these debt investments, they are not subject to rating by a credit rating agency. To avoid undue credit risk, the Program performs due diligence to assess credit risk when entering into new transactions and continues to monitor this risk post investment. No fund or direct investment will be made without due diligence reviews being completed by BCI. The Program's cash and cash equivalents are not subject to significant credit risk as exposure to credit risk is limited by holdings its cash and cash equivalents with high credit quality financial institutions.

(i) Derivative financial instruments

Counterparty risk represents the credit risk from current and potential future exposure related to transactions involving the Program's derivative contracts. For these derivative contracts, counterparties are required to meet minimum credit rating requirements. With respect to derivative contracts, BCI has the ability to terminate all trades with counterparties whose credit rating is downgraded below its requirements, which may be below the credit rating required for entering into new transactions.

The Program's derivative financial instruments consist solely of forward foreign currency contracts. These contracts had a notional value of $17,973 (2022 - $14,815) with derivative financial assets and liabilities of $281 and $33 respectively (2022 - $28 and $669). 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.

All derivative financial instruments held by the Program at the end of the current year and prior year had a term to maturity of less than one year.

The Program'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.

(c) Liquidity risk

Liquidity risk is the risk that the Program will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. BCI's approach to managing liquidity risk is to ensure, as far as possible, that the Program has sufficient liquidity to meet its liabilities when due. The Program is exposed to the liquidity risk associated with the requirement to redeem units. Units of a Fund may only be acquired by eligible clients or client groups in accordance with the Program's purchasing limits 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 Program. The purchase and redemption limits may vary depending on market circumstances, client demand, and the liquidity of the underlying investments.

The Program's cash position is monitored on a daily basis. 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 Program'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.

The Program's liabilities excluding Payable to BCI pooled investment portfolio (refer to note 8), are due within three months of the year-end of the Program.

All derivative financial instruments held by the Program at the end of December 31, 2023 and 2022 had a term to maturity of less than one year.

(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 Program's income or the fair value of its holdings of financial instruments. The Program's strategy for the management of market risk is driven by the Program'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.

The value of the combined debt and equity investments is calculated based on enterprise values of the private companies and the value is then allocated to the debt and equity investments. Any change in market value of the debt investments due to fluctuations in interest rates would result in an offsetting change in value of the related equity investment. Accordingly, sensitivity analysis that would measure the impact of changes in interest rates would not be meaningful and has not been provided.

Debt issued is linked to Canadian Dollar Offered Rate ("CDOR") or Canadian Overnight Repo Rate Average ("CORRA"), and therefore the Fund is not exposed to significant fair value interest rate risk. As at December 31, 2023 and 2022, the Fund had no other significant assets or liabilities which change in value as a result of changes in interest rates.

The Program's payable to BCI pooled investment portfolio is a floating rate instrument and as such, is not exposed to fair value interest rate risk.

Interest rate benchmark reform

A fundamental reform of major interest rate benchmarks has been taking place globally. The reform aimed to replace some interbank offered rates ("IBORs") with Risk-Free Rates ("RFRs") for certain products (referred to as "IBOR reform"). The Programs' exposure to IBOR reform is through its investments in bonds and derivatives that are being replaced or reformed as part of this market-wide initiative.

The main risks to which the Program has been exposed as a result of IBOR reform are operational resulting from, for example, communicating with counterparties, amending contracts or existing fallback clauses, updating systems and processes that use IBOR curves and the revision of operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

BCI established a working group which includes stakeholders from key impacted departments to monitor and manage the Program's transition to RFRs. The working group evaluates the extent to which operational systems are impacted by the IBOR reform, provides updates and guidance on the transition to relevant stakeholders, and promoting awareness of changes to relevant stakeholders.

For non-derivative financial instruments, BCI continues to identify agreements referring to IBORs and engaging in a timely contract remediation process with the related counterparties. For derivative financial instruments, the Program has adhered to the International Swaps and Derivatives Association ("ISDA") Fallbacks Protocol that took effect January 25, 2021, which provides an efficient mechanism to switch to Alternative Benchmark Rates ("ABRs") as IBORs become unavailable.

As at December 31, 2023, the fair value of non-derivative financial instruments referencing IBORs subject to IBOR reform that have yet to transition to ABRs and maturing after the date of permanent cessation is $483.

(ii) Currency risk

Currency risk is the risk that the value of financial instruments denominated in currencies other than the Canadian dollar will fluctuate due to changes in foreign exchange rates.

The Program is exposed to currency risk through holding of investments in various currencies. The Program uses foreign currency contracts to hedge foreign currency exposure on investments, and engages in the buying and selling of currencies through the spot market, forward contracts, futures contracts, and/or options in order to achieve the desired currency exposure.

At December 31, the carrying value of the Program'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.

(All amounts expressed in millions of Canadian dollars)

CURRENCY	2023		2022	
	$	% of NAV	$	% of NAV
Australian Dollar	$ (126)	(0.5)%	$ (63)	(0.3)%
British Pound Sterling	(163)	(0.6)	(414)	(1.9)
Chilean Peso	171	0.6	125	0.6
Czech Koruna	6	—	180	0.8
Danish Krone	15	0.1	—	—
Euro	696	2.6	1,049	4.8
Indian Rupee	929	3.5	136	0.6
Japanese Yen	(5)	—	—	—
Norwegian Krone	8	—	—	—
Poland Złoty	(79)	(0.3)	—	—
Swedish Krona	12	—	—	—
United Arab Emirates Dirham	175	0.7	156	0.7
United States Dollar	5,708	21.7	5,109	23.2
Net Foreign Exchange Exposure	**$ 7,347**	**27.8 %**	**$ 6,278**	**28.5 %**

As at December 31, 2023, 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 $73 (2022 - $63), representing 0.3% of the Program's net assets (2022 - 0.3%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

(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. The Program may not sell short, borrow securities, or purchase securities on margin, which limits the potential loss of capital. There are established investment criteria for the Program related to diversification of investments and investment mandates for external managers to avoid undue market risk.

Other price risk arises from the Program's investments in public equity investments, direct private equity, in direct private debt, and in unlisted private equity investee funds, whose valuation is based on the valuation of the underlying companies of those investee funds. The Program invests in such financial assets in order to take advantage of their long-term growth opportunity. All investments present a risk of loss of capital. BCI management moderates this risk through careful selection of the investee funds within specified limits. All of the investee funds and their underlying investments are subject to the risks inherent in their industries. Moreover, established markets do not exist for these holdings, and they are therefore considered illiquid.

The Program makes commitments to a diversified portfolio of private equity funds managed by managers with a strong track record. The Program diversifies its portfolio of investee funds across managers, underlying industries, countries and investment stages.

BCI follows a rigorous investment due diligence process prior to making an investment decision. BCI management considers both qualitative and quantitative criteria in the areas of financial performance, business strategy, tax and legal compliance, such as financial information obtained through the underlying manager of the investee funds through on-site visits, interviews and questionnaires together with information gathered from external sources. Prior to entering into an investment agreement, gathered information is confirmed through reference checks or through BCI's standing data and experience.

BCI monitors the concentration of risk for equity securities based on industry and geographic location. As at December 31, the Program's investments are exposed to the following industries:

(All amounts expressed in millions of Canadian dollars)

INDUSTRY SECTOR	2023		2022	
	Total	% of Total	Total	% of Total
Direct Investments				
Forest Products	$ 3,180	11.7 %	$ 2,880	12.0 %
Agricultural Products	2,152	7.9	2,179	9.1
Road & Rail	1,199	4.4	925	3.9
Electric Utilities	6,330	23.4	6,810	28.5
Multi-Utilities	1,860	6.9	1,501	6.3
Gas Utilities	3,365	12.4	2,581	10.8
Marine Ports & Services	1,275	4.7	1,749	7.3
Airport Services	127	0.5	85	0.4
Independent Power Producers & Energy Traders	1,249	4.6	413	1.7
Diversified Telecommunication Services	985	3.6	601	2.5
Consumer Staples	107	0.4	—	0.0
Water Utilities	293	1.1	304	1.3
Transportation Infrastructure	295	1.1	—	0.0
	22,417	82.7	20,028	83.8
Investments in structured entities				
Energy	80	0.3	102	0.4
Agricultural Products	240	0.9	316	1.3
Infrastructure	4,174	15.4	3,326	13.9
Forest Products	129	0.5	105	0.4
Consumer Staples	51	0.2	14	0.1
Other	12	0.0	12	0.1
	4,686	17.3	3,875	16.2
Total	**$ 27,103**	**100.0 %**	**$ 23,903**	**100.0 %**

(All amounts expressed in millions of Canadian dollars)

Equity by Geographic Region

As at December 31, the Program's investments are exposed to the following geographic regions:

GEOGRAPHIC REGION	2023		2022	
	Total	% of Total	Total	% of Total
Direct Investments				
Argentina	$ 133	0.5 %	$ 232	1.0 %
Australia	1,555	5.7	1,744	7.3
Brazil	710	2.6	612	2.6
Canada	2,471	9.1	1,856	7.8
Chile	1,831	6.8	1,803	7.5
Colombia	1,251	4.6	1,008	4.2
Czech Republic	610	2.3	714	3.0
France	354	1.3	315	1.3
Germany	1,576	5.8	1,495	6.3
Hungary	72	0.3	51	0.2
India	1,113	4.1	614	2.6
Italy	153	0.6	55	0.2
Netherlands	106	0.4	236	1.0
Poland	295	1.1	—	0.0
Spain	70	0.3	161	0.7
Ukraine	33	0.1	—	0.0
United Kingdom	1,173	4.3	199	0.8
United States of America	8,098	29.8	8,338	34.9
Uruguay	395	1.5	336	1.4
New Zealand	63	0.2	—	0.0
United Arab Emirates	183	0.7	153	0.6
Other	172	0.6	106	0.4
	22,417	82.7	20,028	83.8
Investments in structured entities				
Global	2,251	8.3	1,446	6.0
North America	1,901	7.0	1,859	7.8
South America	56	0.2	43	0.2
Europe	478	1.8	527	2.2
	4,686	17.3	3,875	16.2
Total	**$ 27,103**	**100.0 %**	**$ 23,903**	**100.0 %**

As at December 31, 2023, had the fair value of the investments increased or decreased by 10%, with all other variables held constant, net assets would have increased or decreased by approximately $2,710 (2022 - $2,390), representing 10.3% of the Program's net assets (2022 - 10.8%). In practice, the actual trading results may differ from the above sensitivity analysis and the difference could be material.

(All amounts expressed in millions of Canadian dollars)

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 equity 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, 2023 and 2022, the Program's contractual undiscounted cash commitments that can be called on demand are as follows:

	2023	2022
Direct Private Equity Investments		
United States Dollar	$ 333	$ 8
Euro	160	—
	493	8
Unlisted Private Equity Investee Funds		
Canadian Dollar	1	1
United States Dollar	1,499	2,115
Euro	358	384
	1,858	2,500
Total	**$ 2,351**	**$ 2,508**

7. SUBSIDIARIES AND ASSOCIATES

The Program held, through intermediary holding corporations, the following investments in which it has a controlling position or a position where it could otherwise exert significant influence on the operations of the investee. The Program measures these investments at fair value through profit or loss. The table below present, in descending order, the most significant investees held by the Program in these unconsolidated subsidiaries and associates as at December 31, 2023 and 2022:

December 31, 2023

Entity	Nature and Purpose of Entity	Principal Place of Business	County of Incorporation / Registration	Relationship	Ownership Interest
Puget Sound Energy	Electric Utilities	North America	USA	Associate	21.0 %
Corix Infrastructure	Multi-Utilities	North America	Canada	Subsidiary	100.0
Mosaic Forest Management	Timber	North America	Canada	Subsidiary	56.0
Transelec SA	Electric Utilities	South America	Chile	Associate	26.0
Open Grid Europe GmbH.	Gas Utilities	Europe	Germany	Associate	32.0
Cleco Corporation	Electric Utilities	North America	USA	Associate	37.0
Isagen SA	Independent Power Producers & Energy Traders	South America	Colombia	Associate	18.0
Viterra Limited	Agricultural Products	Europe	Netherlands	Associate	10.0
Teays River Investments LLC	Agricultural Products	North America	USA	Associate	20.0
National Gas Transmission	Utilities	Europe	United Kingdom	Associate	17.0

(All amounts expressed in millions of Canadian dollars)

December 31, 2022					
Entity	**Nature and Purpose of Entity**	**Principal Place of Business**	**County of Incorporation / Registration**	**Relationship**	**Ownership Interest**
Puget Sound Energy	Electric Utilities	North America	USA	Associate	21.0 %
ETC Holdings Ltd.	Electric Utilities	South America	Chile	Associate	26.0
Open Grid Europe GmbH.	Gas Utilities	Europe	Germany	Associate	32.0
Cleco Corporation	Electric Utilities	North America	USA	Associate	37.0
Corix Infrastructure Inc.	Multi-Utilities	North America	Canada	Subsidiary	100.0
Teays River Investments LLC	Agricultural Products	North America	USA	Associate	21.0
GCT Global Container Terminals Inc	Marine Ports & Services	North America	Canada	Associate	25.0
Island Timberlands Limited Partnership	Forest Products	North America	Canada	Subsidiary	56.0
TimberWest Forest Corporation	Forest Products	North America	Canada	Subsidiary	56.0
iGH (Czech Gas Networks)	Gas Utilities	Eastern Europe	Czech Republic	Associate	26.0

During 2023, and 2022, the Program did not provide financial support to subsidiaries or associates and has no intention of providing financial or other support. Furthermore, the subsidiaries and associates listed in the table above are not subject to any significant restrictions on their ability to transfer funds to the Program.

(a) Involvement with structured entities

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 Program's interest in these entities is reflected through the holding of trust units, partnership units or a partnership interest.

The carrying amount of the investments held in these underlying funds represents the Program's maximum exposure to loss. During 2023, and 2022, the Program did not provide financial support to these structured entities and has no intention of providing financial or support, other than the unfunded capital commitments disclosed in Note 6.

8. RELATED PARTY TRANSACTIONS

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

Investments

The Program enters into investment transactions with subsidiaries and associates in the normal course of business of its investments as well as unfunded capital commitments as disclosed in note 6. Since balances in connection with all investment transactions are measured at FVTPL, those transactions undertaken with related parties have the same impact on net assets and comprehensive income as those with unrelated parties.

In instances where one of the Program's Funds invests in another BCI Fund outside of the Program, the unit issuances and redemptions are transacted on a basis equivalent to those in an arm's length transaction.

BCI cost recoveries

Third party costs attributable to a specific Fund within the Program are charged to that Fund. Other costs initially borne by BCI are recovered from the various Funds within the Program on a cost recovery basis. BCI cost recoveries and corresponding payables are disclosed in the Program's Combined Statement of Comprehensive Income and Combined Statement of Financial Position, respectively.

Payable to BCI pooled investment portfolio

During the year ended December 31, 2023, the Program entered into a financing agreement with BCI's CDOR 2 Floating Rate Fund for up to $2,000 to finance a bridge loan. As at December 31, 2023, $285 (2022 - $66) was outstanding related to this agreement. The Program borrowed at a floating rate that is linked to the Canadian Dollar Offered Rate or Canadian Overnight Repo Rate plus 0.70% - 1.16%, of which $202 matured in January 2024 and $83 matures in July 2024.

Capital market debt financing

During the year ended December 31, 2023, BCI issued $1,250 in 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 (formerly Leveraged Bond Fund), a Fund within BCI's Fixed Income program, is the holder of the medium term debt and the associated proceeds, in respect of the Combined Funds. Recourse under the senior unsecured medium term debt, including upon the occurrence of an event of default, is limited to the assets of the Combined Funds.

On January 11, 2024, BCI issued an additional $1,000 in Series 1 medium term debt, bearing interest at 4.9% per annum and maturing on June 2, 2033.

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