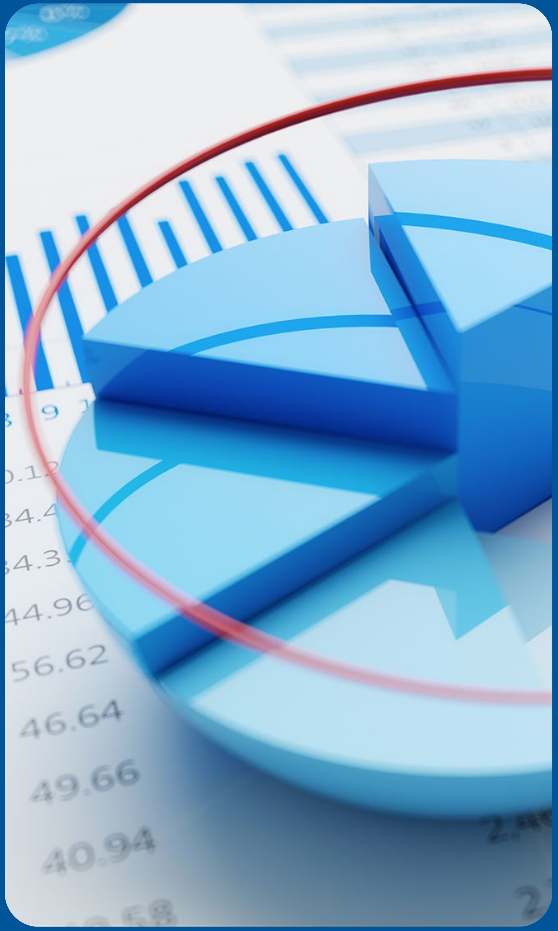
2023
Pension Committee Report

based on results as at December 31, 2022

Manitoba Telecom Services Inc. and Participating
Subsidiaries Employee Pension Plan

Contents



BellMTS

Introduction

This report provides information on the Manitoba Telecom Services Inc. and Participating Subsidiaries Employee Pension Plan (the "Plan") for the year ended December 31, 2022. It has been prepared for employees, retirees and other beneficiaries of the Plan, and is based on official Plan reports that have been approved by the Board, filed with government authorities and presented to the Pension Committee.

About your plan

The Plan is a contributory defined benefit plan sponsored by Bell Canada (the "Company") and federally registered under the Pension and Benefits Standards Act, 1985 ("PBSA").

Highlights include:

- Eligible employees contribute to the Plan by payroll deduction each pay period. These contributions are fully tax-deductible.
- In addition to employee contributions, the Company contributes all amounts necessary to provide for the promised benefits and to pay all administrative fees, including special payments to liquidate deficits, when applicable.
- At retirement, members are eligible for a pension benefit calculated using a defined benefit formula, which includes the average of best five years of earnings multiplied by the number of years or partial years members have contributed to the Plan (referred to as "Credited Service").
- The Plan provides for a cost-of-living adjustment ("COLA") equal to two-thirds of the increase in the Canadian Consumer Price Index ("CPI") to a maximum CPI increase of 4%.
- Members who terminate employment before age 55 are entitled to a deferred pension benefit.
- The Plan has been closed to new members since January 1, 2010.

All Plan members have electronic access to this report or may receive a paper copy. For more information on the Plan, the Benefits Administrator's contact information is shown on page 25.

Membership

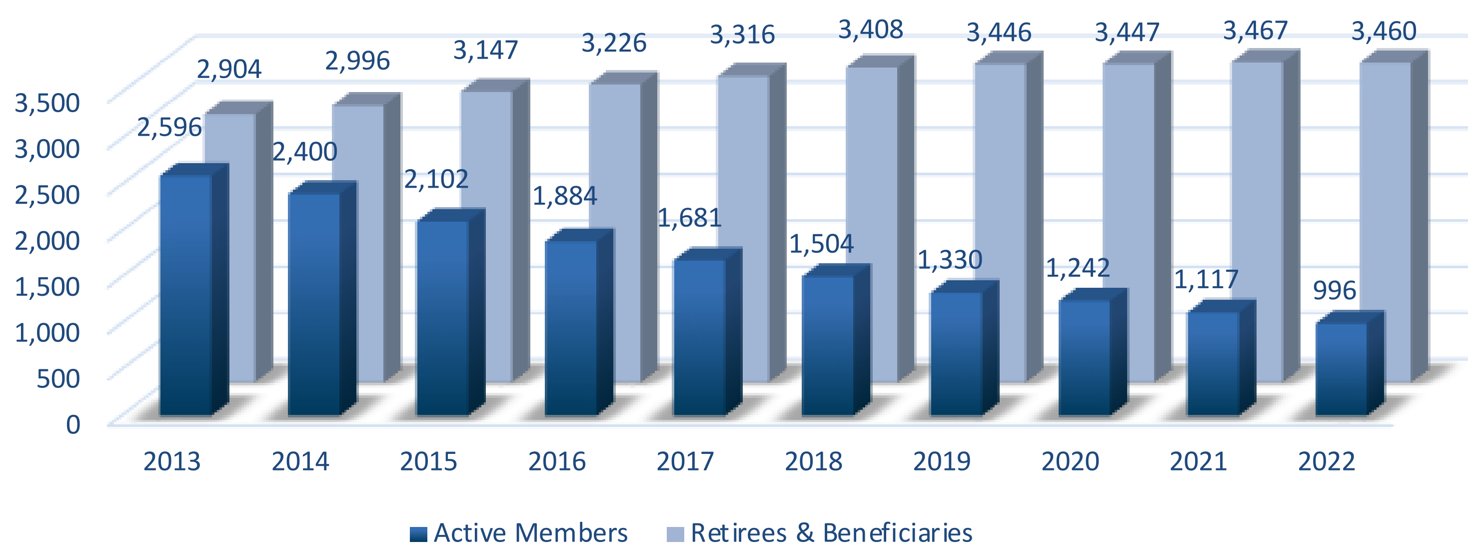
The Plan's membership falls into the following categories: active members, retirees, beneficiaries and deferred pensioners. Active members are those employees who currently accrue benefits under the Plan. Deferred members are former employees who have left their pension benefits in the Plan to be paid at a later date. Retirees and beneficiaries are those individuals who currently receive a pension from the Plan.

	Active Members	Retirees	Beneficiaries	Deferred Pensioners
As at January 1, 2022	**1,117**	**2,985**	**482**	**493**
Retirement	(54)	76	-	(22)
Termination • Deferred Pension • Paid Out	 (24) (41)	 - -	 - -	 24 (16)
Death • Survivor Pension • Payment to beneficiary • End of Payment • Paid Out	 - - - (2)	 (32) (2) (48) -	 32 2 (35) -	 - - - (3)
End of guarantee period	-	-	(1)	-
New marriage breakdown	-	1	-	-
As at January 1, 2023	**996**	**2,980**	**480**	**476**

Evolution of Membership

As of January 1, 2023, active members accounted for 20% of the total membership of 4,932, and retirees and beneficiaries receiving pensions made up 70%. Deferred members (not shown) represent 10% of the total. The ratio of pensioners to active members was 3.47.

Historical Active/Inactive Membership

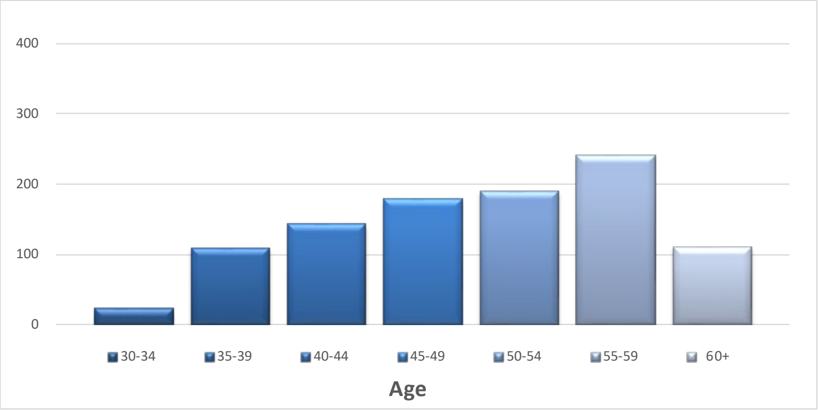


BellMTS

Active Members

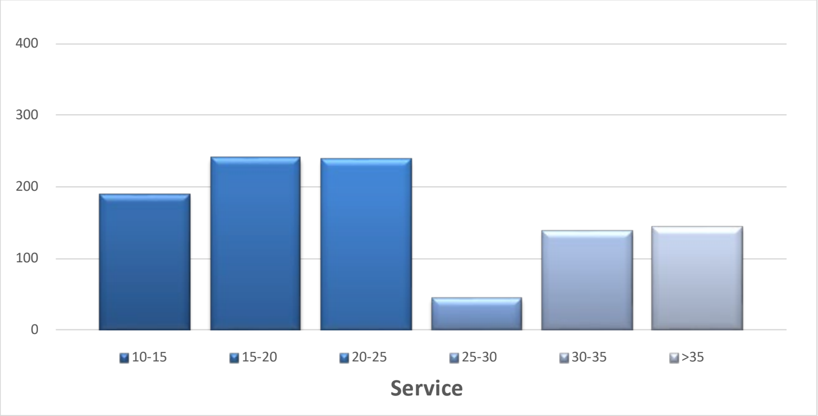
Age Distribution

As of January 1, 2023, 54% of active members were age 50 and over. The average age of active members was 50.5 years.



Service Distribution (Continuous Employment)

As of January 1, 2023, 19% of active members had less than 15 years of service, while 33% had 25 years or more of service. The average length of service was 23.4 years.

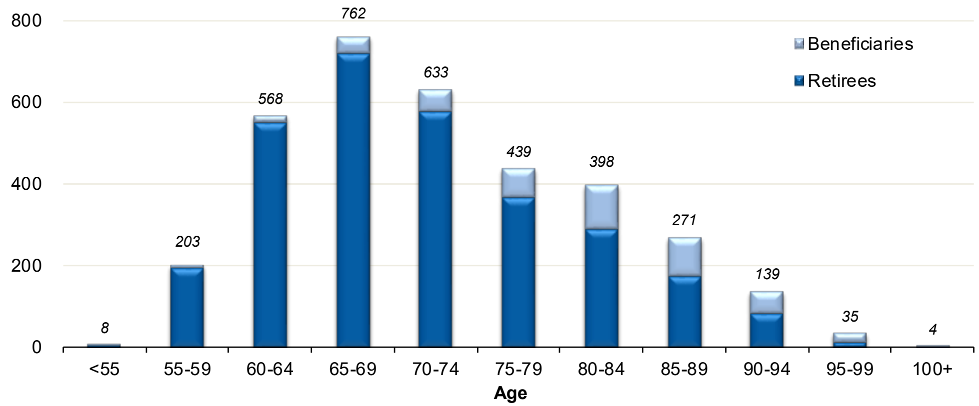


BellMTS

Retirees and Beneficiaries

Age Distribution

As of January 1, 2023, the average age was 71.5 years for retirees and 80.9 for beneficiaries.



Retiree statistics as of January 1, 2023

	New 2022 retirees		All retirees	
	Female	Male	Female	Male
Average age at retirement	58	59	57	57
Average age at Jan 1, 2023			70	73
Total number of retirees	34	42	1,484	1,496

BellMTS

Actuarial valuation

In accordance with pension legislation, an actuary must evaluate the assets that are required to cover the value of accrued pensions and assess the amount of contributions needed to fund future benefits. There are two measures of a plan's financial situation: the going-concern valuation and the solvency valuation.

Going-concern valuation

The going-concern valuation assumes that the plan will continue to exist indefinitely. The actuary must make assumptions regarding future events to determine the present value of the accrued pensions (liabilities). These assumptions include:

- economic factors such as future interest rates, inflation rates and salary increases;
- decrement rates such as expected mortality, withdrawal and retirement experience; and
- margins against adverse deviation

The going-concern financial situation is the difference between the actuarial value of assets (equal to the market value of assets) and the going-concern liabilities.

Solvency valuation

The solvency valuation assumes that the plan stops operating as of the valuation date.

Solvency liabilities are based on current economic and demographic parameters and assume a settlement of all benefits at the valuation date.

The solvency financial situation is the difference between the solvency assets (market value of assets less wind-up expenses plus any letters of credit) and the solvency liabilities, providing a measure of benefit security if the plan would have been wound up at the valuation date.

Financial position

An actuarial valuation report as of January 1, 2023 was filed with the government authorities. The report indicated the presence of an actuarial surplus of $496.5 million on a going-concern basis while the solvency test performed as of the same date showed a surplus of $371.5 million (including letters of credit held in trust for the Plan).

(in $ millions)	January 1, 2023		January 1, 2022	
	Going-Concern	**Solvency**	**Going-Concern**	**Solvency**
Assets:				
Market value of assets	2,099.4	2,099.4	2,501.5	2,501.5
Provision for windup expenses	n/a	(2.3)	n/a	(2.7)
Letters of credit	n/a	106.1	n/a	241.1
Total assets	2,099.4	2,203.2	2,501.5	2,739.9
Liabilities:				
Active members	(360.5)	(449.4)	(519.4)	(668.2)
Retirees and other members	(1,242.4)	(1,382.3)	(1,457.5)	(1,675.9)
Total liabilities	(1,602.9)	(1,831.7)	(1,976.9)	(2,344.1)
Surplus *	**496.5**	**371.5**	**524.6**	**395.8**
Funded/Solvency Ratio	**131%**	**120%**	**127%**	**117%**

* Including unused advance contributions of $23.7M as of January 1, 2023 and January 1, 2022

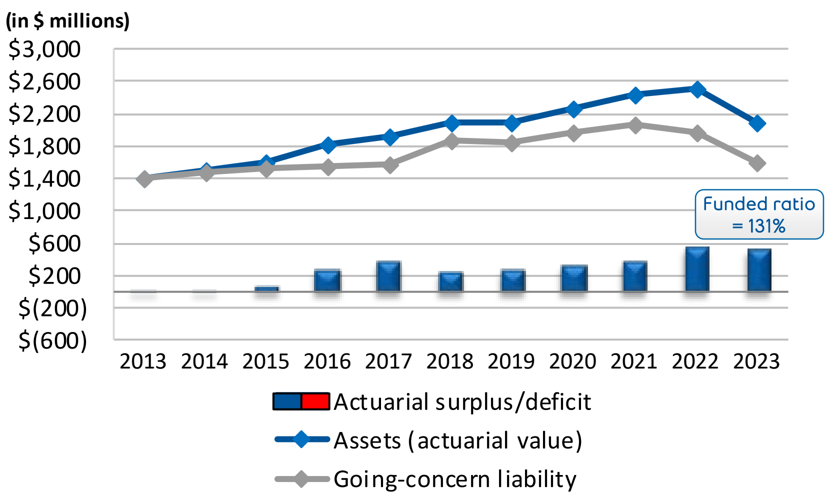
Evolution of the Plan's financial position

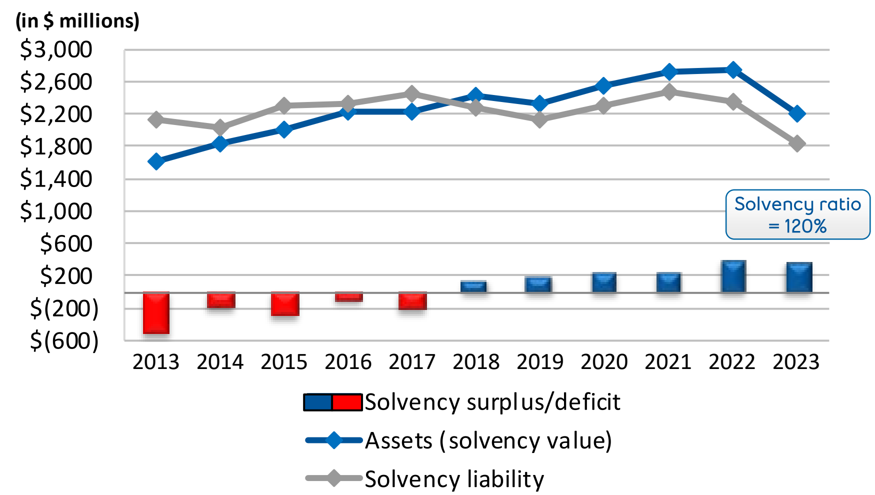
Going-concern basis

The going-concern valuation looks at a plan's funded status on the basis that the plan will continue to operate indefinitely. The purpose of a going-concern valuation is to recommend the orderly funding of a plan to accumulate assets to provide for the plan's benefits in advance of their actual payment. Using this long-term perspective of the Plan, the going-concern funded ratio has increased from 127% as of January 1, 2022, to 131% as of January 1, 2023.

Solvency basis

The solvency valuation assumes that a plan stops operating as of the valuation date. It is intended to test whether the plan has sufficient assets to pay all benefits that have been earned by members to that date. Using this short-term measure of the Plan's financial situation, the solvency test performed as of January 1, 2023 showed a solvency ratio of 120%, compared to a solvency ratio of 117% as of January 1, 2022.





BellMTS

Contributions

Employee contributions

Employee contributions to the Plan are based on the employee's pensionable earnings as follows:
- 5.1% of earnings up to the Year's Maximum Pensionable Earnings, and
- 7.0% of earnings over the Year's Maximum Pensionable Earnings.

Employee contributions totaled $4.7 million in 2022.

Company contributions

The Company's annual contributions depend on the Plan's financial situation and are determined based on results of the actuarial valuation. They consist of:

- Current service cost – the expected increase in liability in the coming year due to an additional year of service for active employees AND
- Deficit funding – special contributions to eliminate any deficit over a legislated period of time. The PBSA prescribes the minimum required contributions, while the Income Tax Act dictates the maximum allowed contributions

In 2022, due to the Plan surplus and in line with pension legislation, the Company took a contribution holiday with respect to the current service cost. In addition, no amortization payments were required and, as such, the balance of voluntary contributions made in advance by the Company, which can be used to reduce future deficit funding payments, remained unchanged at $23.7 million as at January 1, 2023.

Contributions (cont'd)

Letters of credit

Regulations under the PBSA provide that letters of credit may be used, up to a maximum of 15% of solvency liabilities, to meet solvency special payment requirements. A letter of credit is issued by a financial institution and provides security to the pension plan up to its face value in the event the plan sponsor defaults on the funding obligations to the pension plan upon plan termination.

The letters of credit held by the trustee on behalf of the Plan automatically renew each year and cannot be withdrawn or reduced by the Company unless they are either replaced with cash funding or it is determined in an actuarial valuation that the letters of credit, or a portion thereof, are no longer required.

Letters of credit held on behalf of the Plan totaled $241.1 million as of January 1, 2022. In 2022, in accordance with the PBSA Regulations and given the Plan's solvency financial position, the letters of credit were reduced by $135.0 million. Letters of credit held on behalf of the Plan totaled $106.1 million as of January 1, 2023.

2023 Contribution requirements

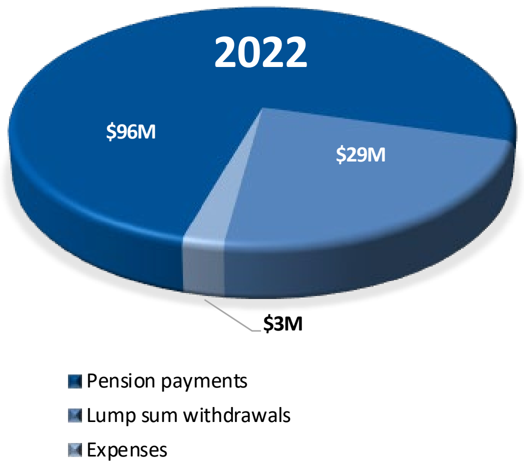
The current service cost for 2023 is $9.8 million and given the Plan's financial situation as of January 1, 2023, no deficit amortization is required.

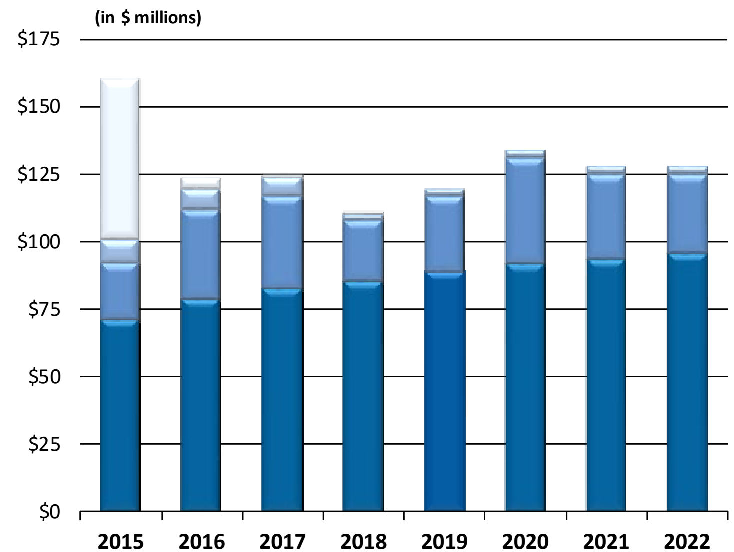
Furthermore, since there is a going-concern surplus and the solvency ratio exceeds 105%, pension legislation allows the Company to continue the contribution holiday.

The Company remits to the Plan all employee and company contributions in accordance with federal pension legislation. In its capacity as Plan custodian and trustee, RBC Investor and Treasury Services monitors on a monthly basis that the contributions are made within the required timeframe.

Payments from the Plan

In 2022, disbursements in the amount of $128 million were made from the Plan as follows:





	2015	2016	2017	2018	2019	2020	2021	2022
Lawsuit Distribution	59	4	1	1	-	-	-	-
Expenses	8	8	7	2	3	3	3	3
Lump-sum withdrawals	21	33	34	23	28	39	31	29
Monthly pensions	72	79	83	86	89	92	94	96
Total	**$160**	**$124**	**$125**	**$112**	**$120**	**$134**	**$128**	**$128**

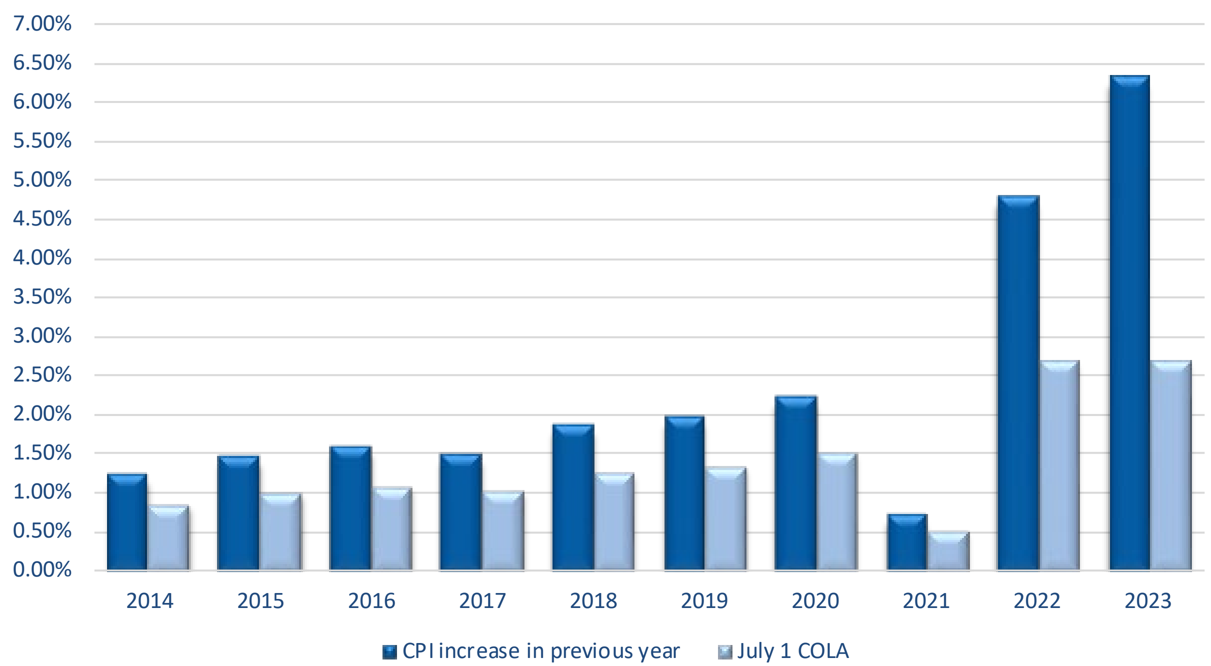
Cost-of-living adjustment

The Plan provides COLA increases every July. The increase to pension payments is equal to two-thirds of the lesser of 4% and the previous year's increase in CPI. Additional cost-of-living adjustments may be granted if there is sufficient funding available from the COLA account.

In July 2022, retirees received a COLA increase of 2.67% which is two-thirds of the lesser of 4% and the 2021 CPI increase of 4.80%

In July 2023, retirees received a COLA increase of 2.67% which is two-thirds of the lesser of 4% and the 2022 CPI increase of 6.32%.

Cost-of-living adjustments over the last 10 years



BellMTS

Investments

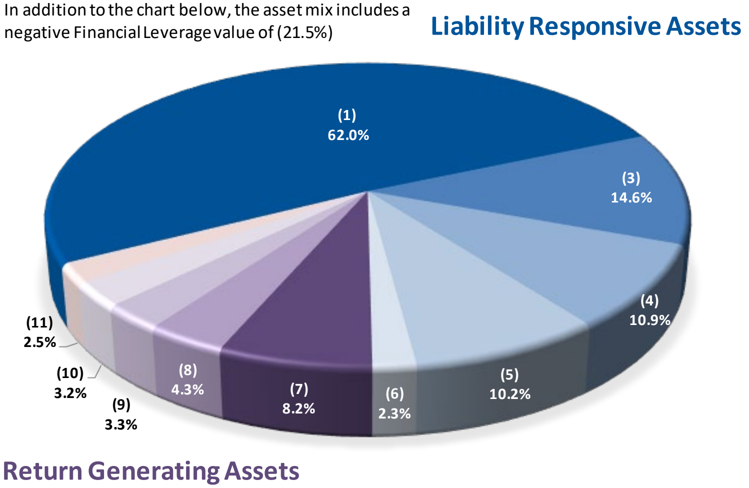
Investment policy and guidelines

The Plan's assets are invested according to an investment policy established by the Risk and Pension Fund Committee ("RPFC"), which is a standing committee of BCE's Board of Directors.

The policy provides for an investment approach that balances financial risk and return. The investment policy includes guidelines that define the acceptable level of risk by establishing the minimum and maximum percentages of assets that may be invested in each of the various asset classes. The guidelines also set out specific investment conditions for each of the asset classes. At its discretion, the fund's investment manager, Bimcor, determines the asset mix of the portfolio within these guidelines.

The actual investment levels as of January 1, 2023, as well as the long-term target asset allocation, are:

In addition to the chart below, the asset mix includes a negative Financial Leverage value of (21.5%)



	Min	Actual allocation	Max	Long-term Target Asset Allocation
Liability Responsive Assets	**70%**	**78.5%**	**88%**	**80.0%**
(1) Nominal Bonds		62.0%		66.7%
(2) Financial Leverage		(21.5%)		(20.0%)
(3) Infrastructure Equity		14.6%		13.3%
(4) Real Estate		10.9%		10.0%
(5) Real Return Bonds		10.2%		10.0%
(6) Cash and Money Market		2.3%		-
Return Generating Assets	**12%**	**21.5%**	**30%**	**20.0%**
(7) Non-Canadian Equities		8.2%		8.0%
(8) Hedge Funds		4.3%		3.3%
(9) High Yield Credit		3.3%		3.3%
(10) Private Equity		3.2%		3.4%
(11) Canadian Equities		2.5%		2.0%

The Plan's assets are invested in different asset classes, ensuring a broad diversification and a reduction in risk. The pension fund posted a one-year return of -11.3% in 2022 and an average annual rate of return of 5.5% for the 4-year period ending on December 31, 2022, net of investment expenses.

As of December 31, 2022, holdings in equity and fixed income securities of BCE represented 0.8% of the pension fund's investments.

Investments (cont'd)

Pension plan risk management

The RPFC has adopted a Financial Risk Management framework to reduce risk and volatility while maintaining or improving the funded status of the Plan.

This framework "de-risks" the Plan in a disciplined and systematic manner by dividing the fund into 2 components:

- The Liability Responsive Assets (LRA), where the objective is to mimic the return of the liability
- The Return Generating Assets (RGA), where the objective is to generate returns exceeding the liability while assuming an acceptable level of risk.

Subject to the RPFC's approval, assets are moved gradually from the RGA to the LRA as the Plan matures.

In November 2021, the RPFC approved another step in the "de-risking" strategy, moving from a 70% LRA / 30% RGA to a 80% LRA / 20% RGA target asset allocation, while maintaining the 20% fixed income overlay. The objective of the overlay strategy, commonly used by large pension plans and approved by the RPFC, is to reduce the volatility of the solvency ratio due to interest rate movements by increasing exposure to LRA assets using leverage.

About the investment manager

Bimcor is a wholly-owned subsidiary of Bell Canada and oversees management of the pension assets on behalf of the pension funds of Bell Canada and its various subsidiaries and affiliates.

Bimcor manages pooled fund products in equities and fixed income securities. Bimcor selects and directs external firms, both domestically and abroad, to manage specialty mandates on behalf of Bell's pension funds.

Responsible Investing – Introduction

BCE believes a responsible investing approach is consistent with an objective to generate long-term sustainable investment returns while managing risk. Responsible investing in the BCE pension plans means integrating environmental, social and corporate governance (ESG) factors into investment decisions.

Some examples of **E**nvironmental, **S**ocial & **G**overnance factors are:

Environmental Factors include climate change, greenhouse gas emissions, energy efficiency and resource depletion

Social Factors include diversity and inclusion, labour standards, employee engagement and health and safety

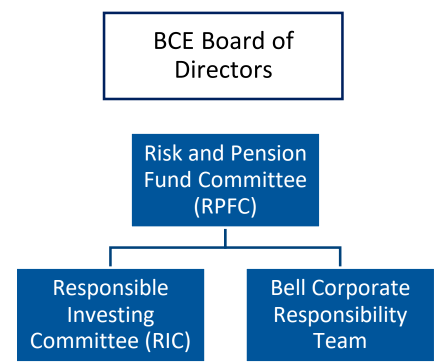
Governance Factors include executive pay, information security and board independence, transparency and diversity

Responsible Investing Policy and Responsible Investing Committee

In 2021 the Risk and Pension Fund Committee (RPFC) adopted a Responsible Investing Policy applicable to the collective investments of BCE's pension trust funds and guided by the following approach:

- Integration of ESG considerations into the investment analysis and decision-making processes with a focus on long-term portfolio stability and performance
- Engagement with a focus on transparency of reporting, the quality of corporate governance and environmental and social practices of businesses in which we invest
- Understanding and managing the risk that climate change and transition to a lower carbon economy poses to our portfolios

The Responsible Investing Committee oversees the implementation of the policy and reports to the RPFC at least annually on responsible investing activities of the pension plans. With representation from BIMCOR and Bell Pension & Benefits, the RIC monitors the integration and reporting of ESG considerations within the pension plan investment process, focusing on the ESG practices of asset managers employed and the businesses in which the pension plans invest.



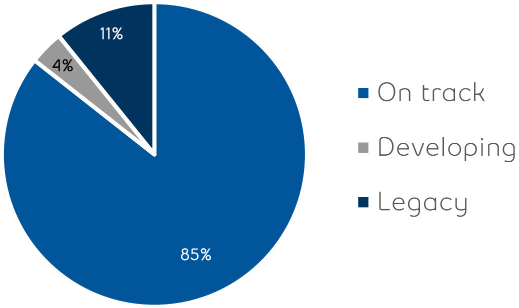
Responsible Investing – Approach

The ESG integration approach utilizes a materiality-focused **ESG Assessment Framework** tailored to each asset class in which the pension plans invest. The framework provides a guide which BIMCOR uses for evaluating the ESG practices of external investment partners, both during the due diligence phase of investing and for ongoing monitoring. Annual re-assessments are conducted for most partners.

The ESG Assessment Framework follows a series of questions / indicators across three main categories:

- Policy and Governance
- Investment Integration, Engagement & Stewardship
- Resources and Reporting

The process results in a score which characterizes a firm as On Track, Developing, and Legacy (no further assessment).



Quick facts about external investment partners:

- **96%** of investment partners have adopted a Responsible Investment or ESG Policy and most take an active approach to integrating ESG factors and have dedicated ESG staff and/or an ESG committee
- **80%** of investment partners are signatories to the United Nations Principles for Responsible Investment (UN PRI)
- **78%** of real estate managers have received Global Real Estate Sustainability Benchmark (GRESB) ratings or are scheduled to be rated

Investing responsibly is an overarching consideration in the assessment of all pension plan portfolios, with an ultimate goal of meeting long-term risk-return objectives while contributing to a more sustainable global future.

Responsible Investing – Climate Risk

As the severity of physical climate risk becomes more apparent, the transition to a low-carbon economy is likely to accelerate and companies will be required to become more energy efficient and resilient in order to succeed. Climate change can impact organizations in many ways, such as higher financing costs, insurance and taxes, as well as disruptions from supply chain interruptions, regulation and shifting customer preferences.

Here are some examples of how BIMCOR is monitoring the impact of climate and transition risks in the portfolios:

- BIMCOR obtains carbon emissions data for equity and fixed income holdings from a third party data provider. The data is used to calculate the carbon intensity of the pension portfolios, compared to a reference benchmark. The carbon footprint analysis provides useful insights to help recognize sectors/issuers with the largest emissions and to identify areas for further investigation and engagement with managers regarding portfolio holdings.
- In line with an ESG integration approach, it is generally believed that active ownership is preferable to divesting or screening for exclusion. External managers provide frequent examples of engagement activities to advocate for and improve climate-related policies, and to push for transparency of transition plans and alignment with science-based targets for portfolio companies.
- Climate change is also apparent in proxy voting policy and results. Where boards fail to demonstrate adequate consideration of physical and transition-related impacts from climate change, voting policies consider, in light of value and portfolio risk considerations, voting against directors to hold them accountable.

In 2021 a **Low Carbon Global Equity Fund** was made available to members of BCE's DC pension plans. This fund offers the opportunity to invest in a diversified portfolio of global equity securities that are measured by global data and index provider, MSCI, to have approximately 50% lower carbon intensity than the basket of securities included in the broad global equity index.

Looking ahead

Financial market perspective

Rising inflation was the dominant force driving financial markets in 2022. The consumer price index (CPI) rose by 6.3% in Canada during the year, the most since 1982, driven by recovering post-pandemic demand, persisting supply chain problems, and geopolitical tensions in Europe. These developments prompted the world's major central banks to respond and adopt much more restrictive monetary policies, causing bond and equity markets to decline over the year. Interest rates increased sharply, the Canadian 10-year yield reaching 3.3% by year-end, resulting in the worst returns for Canadian bond portfolios in decades. The US stock market retreated by 18%, its worst performance since the Great Financial Crisis, while Canadian stocks fared relatively better with a 9% loss.

Inflation pressures have eased somewhat since and fears of an economic slowdown have not materialized, leading to an improvement in market sentiment in the first half of 2023 and both stocks and bond portfolios experienced positive returns during the period.

Certification of identity – Pension Audit

In order to maintain strong administrative processes and as part of good governance, annual pension audits were started in 2021. Selected retirees and beneficiaries are asked to complete a short form confirming their personal information including their current mailing address, either electronically or by signing and returning a paper copy to the Bell Pension Department.

This process confirms the accuracy of personal information in the Benefits Administrator's files, ensuring the financial security of pensioners by upholding the integrity of the management of the Plan's pension payments. A rigorous management of the pension fund assets and corporate financial affairs works to protect this key asset. Pension audits are not unique to Bell – many financial institutions and insurance companies have similar verification programs in place.

Paperless communication for retirees

As one of Canada's Greenest employers, Bell Canada offers retirees the opportunity to go paperless by receiving pension-related documents electronically. To begin receiving communications by email, retirees must provide electronic consent through the Benefits site. Note that these communications will never contain personal data, but rather will alert retirees when new personal documents, such as annual pension statements or tax slips, are posted to the site.

Plan governance

Who's who

Administrator	Roles
Bell Canada Board of Directors (Board)	• Responsible for sound administration of Plan and fund • Adopt Plan changes • Appoint investment managers and custodian/trustees • Receive Risk and Pension Fund Committee reports on activities • Adopt overall governance policy (including control systems)
Risk and Pension Fund Committee (RPFC)	• Approve funding and investment policies • Approve fund's financial statements • Appoint fund auditors and actuary • Oversee administration and investment of Plan and fund • Review any change to the Plan, as proposed by management, and recommend for approval any change requiring Board action • Receive Pension Management Committee reports on activities
Senior Management	• Advise Risk and Pension Fund Committee on policy with respect to administration, funding and investment of fund • Oversee fund investment and administration, including employee communication • Monitor administration and fund management performance
Pension Management Committee (PMC)	• Responsible for certain administrative, investment and governance functions delegated by the RPFC
Employer/Plan Sponsor	• Deduct and remit contributions to the fund • Provide accurate information required by administrator/agents • Act through Board of Directors • Report to regulators and Plan members

BellMTS

Who's who (cont'd)

Agents	Roles
Actuary (Bell Canada)	• Develop and recommend funding policy to senior management • Prepare actuarial valuation reports • Process government filings
Benefits Administrator (LifeWorks)	• Handle daily Plan pension administration • Provide Plan information and decision-making tools to members through the Benefits website
Investment Manager (Bimcor)	• Invest Plan assets • Develop and implement an investment strategy
Custodian and Trustee (RBC Investor and Treasury Services)	• Maintain fund assets in trust • Settle and maintain records of all investment transactions • Act as paying agent
Auditors (Deloitte LLP)	• Audit fund's financial statements • Review accounting systems, internal controls, and related data • Advise management of opportunities to improve Plan's accounting operations

Who's who (cont'd)

Government	Roles
Canada Revenue Agency [Income Tax Act]	• Set requirements for Plan registration • Establish limits on pensions paid out and contributions • Provide tax framework for retirement savings
Office of the Superintendent of Financial Institutions [Pension Benefits Standards Act, 1985]	• Protect members' rights • Promote fairness and ensure security and viability of employer's pension promise • Verify that information is being provided to members in accordance with legislation
Members	**Roles**
Pension Committee	• Promote awareness and understanding of Plan among members • Review, for information purposes, Plan's financial, actuarial, and administrative aspects
Plan Members	• Review personal pension statements and ensure employer/plan sponsor has accurate personal information • Respond to annual pension audit and other requests for information

The company follows Canada's Personal Information Protection and Electronic Documents Act, known as the privacy legislation. To ensure your personal information is treated in a secure and confidential manner, the company has established standards for all parties involved in the administration of the Plan.

For more information, go to **www.bce.ca/governance**

Pension Committee

The Pension Committee meets at least annually and reports to Bell's Pension Management Committee, as delegated by the RPFC. The latest annual meeting was held in September 2023. In accordance with its mandate, the Committee reviews the results of the funding actuarial valuation and the cost-of-living pension benefit adjustments, and reviews the Plan's investment performance and other administrative aspects of the Plan.

The current members of the Pension Committee are:

Independent Chair	
Rick Lewis	Retired Investment Professional
Employer Representatives	
Wayne Murphy	Director IT Program Management
Jeannine Robert	Senior Consultant Labour Relations
Greg Ruml	Director Sales Support
Karen Wachal	Senior Manager Pension & Actuarial Services
Union Representatives	
Joe Breland	IBEW Representative
Dave Eyjolfson	TEAM Representative
Amy Harris	Unifor Representative
Elected Retiree Representative (2021-2023 three-year term)	
Dave Gnutel	

BellMTS

Benefits Administrator

For more information on your personal retirement or termination benefits, contact the Benefits Administrator:

Benefits Administrator	
Active members	1-888-391-0005 or Bell.ca/mybenefits
Retirees and beneficiaries	1-888-400-0661
Deferred members	1-888-391-0005

Information on government plans

CPP and OAS : Call 1-800-277-9914
or
Visit the website at www.canada.ca

Glossary

General

Accrued pension
The actual pensions earned as of January 1, 2023. For active members, it is the pension they would be entitled to receive at retirement age, based on current average pensionable earnings and years of service. For retirees and beneficiaries, it is the pension they are currently receiving. For members entitled to a deferred pension, it is the pension they are entitled to receive at retirement age, based on average pensionable earnings and years of service at their termination date.

Actuarial surplus (deficit)
The difference between the value of the Plan’s assets and its liabilities. It can be either positive (surplus) or negative (deficit).

Adverse deviation
A deterioration in the Plan’s experience or in the financial markets that modifies the long-term expected results based on the assumptions and produces an increase in the pension costs.

Benefits Administrator
The agent that performs the daily administration of the Manitoba Telecom Services Inc. and Participating Subsidiaries Employee Pension Plan, including record keeping and employee and retiree contact.

Market value of assets
The value of the pension fund assets determined as the price at which the assets sell in a given market at a given time.

Investment Classes

Canadian Equities
A portfolio invested in stocks issued by Canadian corporations, designed to provide long-term capital appreciation.

Financial Leverage
Technique involving the use of borrowed funds in the purchase of an asset.

Hedge Funds
Funds using a range of investment techniques and investing in a wide array of assets. Hedge funds are designed to reduce risk, to generate a higher return for a given level of risk or to generate a consistent level of return, regardless of what the market does.

Glossary (cont'd)

High Yield Credit
Private credit such as direct lending to primarily privately-held companies or entities as well as more liquid investments in bank loans and bonds rated below investment grade.

Infrastructure Equity
A portfolio invested in ownership interest in facilities and structures essential for the orderly operations of an economy, e.g. transportation networks, health and education facilities, communications networks, water and energy distribution systems.

Money Market
A portfolio invested in high quality, short-term instruments maturing within one year, designed to provide liquidity, income and capital preservation over the short term.

Nominal Bonds
Bonds whose value does not adjust to compensate for the impact of inflation.

Non-Canadian Equities
A portfolio invested in stocks issued by corporations whose head office is located outside Canada, designed to provide long-term capital appreciation. Returns can be affected by fluctuations in foreign currency exchange rates.

Private Equity
A portfolio invested in equity capital that is not quoted on a public stock exchange. Private equity consists of investments made directly into private companies.

Real Estate
A portfolio invested in real estate investment trusts dedicated to the ownership and operation of income properties such as apartments, shopping centers, offices and warehouses.

Real Return Bonds
A portfolio invested in bonds where the return is indexed to inflation. They are thus designed to remove the inflation risk of an investment.